

SHAKTI PRESS LIMITED

17th ANNUAL REPORT

2009-10

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

STATE BANK OF INDIA, NAGPUR

REGD OFFICE

**SHAKTI HOUSE, WARDHA ROAD,
NAGPUR – 440 012**
Shakti_offset@dataone.in
Spl_ngp@sancharnet.in

WORKS

U – 116, MIDC Industrial Area, Hingana Road,
Nagpur – 440 016

Kh. No. 49, Tah. Hingna, Vill. Mondha
Kanoli Bara Road, Nagpur (M. S.)

Kh. No. 69, Village - Mondha, Tah. Hingna,
Kanoli Bara Road, Nagpur (M. S.)

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LTD
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400 078 Ph 022 25963838

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting of the members of the Company will be held at U - 116, Hingana M.I.D.C. Industrial Area, Nagpur – 440 016 (Maharashtra) on Thursday, 30th December, 2010 at 4.00 P. M. to transact, with or without modification as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2010 and Profit & Loss Account for the year ended 30th June, 2010, along with the Auditor's Report and Director's Report thereon.
2. To appoint the Director in place of Shri Shreedhar Parande retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint the Director in place of Shri Ashutosh Potnis retires by rotation, and being eligible offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS:

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

"RESOLVED THAT in terms of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any amendment to or enactment thereof) and also subject to the approval of statutory authorities, if any, as may be required and subject to such alterations and modifications, if any, that may be effected by the above authorities in that behalf Shri Nitin Dhote be and is hereby re-appointed as a Whole Time Director of the Company for a period of 3 years w. e. f. **14th January, 2010** upon the terms and conditions as to remuneration and otherwise as appended below and that the Board of Directors / Committee be and are hereby authorised to alter and vary such terms and conditions in accordance with the laws in force from time to time as may be agreed to by the Board of Directors / Committee of the Board.

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

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

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

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

**Place: NAGPUR
Dated: 27.11.2010**

**Raghav Sharma
MANAGING DIRECTOR**

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

Item No.5:

The tenure of Shri Nitin Dhote as a Whole Time Director of the Company expired on 13th January 2010. In view of his long association with the Company, the Board of Directors considered it desirable in the interest of the Company that the Company should continue to avail of the Benefits of his services. The Remuneration Committee at its meeting held on 1st January, 2010 recommended and approved the re - appointment of Shri Nitin Dhote as a Whole Time Director of the Company with effect from 14th January, 2010 and accordingly referred the same for the approval of Board / Members of the Company and the Board of Director has confirmed his re-appointment at their meeting held on 31st January, 2010 subject to approval of members of the Company. The Board has re-appointed Shri Nitin Dhote as a Whole Time Director of the Company for a period of 3 years with effect from 14th January, 2010 subject to the approval of the shareholders in General Meeting.

The terms and conditions including remuneration as specified hereunder:

- i. Terms and Conditions governing the employment of Shri Nitin Dhote are as per Rules of the Company applicable from time to time.
- ii. Remuneration pay of Rs. 9,500/- per month with authority to Board to alter / revise from time to time.
- iii. Perquisites and Benefits as per the as per Rules of the Company prevailing from time to time.

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

Item No 06

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

Members are therefore requested to ratify the extension of financial year 2009 - 10.

None of the directors of the Company are interested in above said resolution.

1. **A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE MEMBER OF THE COMPANY.**
2. **THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The Register of Members and Share Transfer Books, etc of the Company will remain closed from 25th December 2010 to 30th December 2010 both days are inclusive.
4. Transfers or Transmission requests received during the period of Book Closure shall be considered after reopening of the books.
5. As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting.
6. Members are requested to quote Folio Numbers in all correspondences. Members holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holding in one folio.
7. Shareholders seeking to require information about accounts to be explained at the meeting are required to furnish the queries to the Company at least 10 (Ten) days in advance of the Annual General Meeting.
8. Pursuant to the directions of the SEBI the shares of the company are to be compulsorily traded in Demat mode w. e. f. 2nd January 2002. Members may therefore request to convert their Equity Share into Demat mode by opening Demat Account with nearest Depository Participants who are acting as agents to the Depositories viz., NSDL & CDSL.
9. The shares of the Company are listed with the Bombay Stock Exchange and the Delisting application is pending with the Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd.

Brief Profile of Director Seeking / Appointment Re-appointment :

Shri Shreedhar Parande:

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

Shri Ashutosh Potnis:

Shri Ashutosh Potnis is Graduate in Law, and has a successful track record of about 16 years in practice. He has experience in the field of Administration and Management. He has skill and experience in administration and gave valuable suggestion to the Company in various discussions. He is holding ten equity shares of the Company.

Shri Nitin Dhote:

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

DIRECTOR'S REPORT

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

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

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

DIVIDEND:

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

MANAGEMENT DISCUSSION & ANALYSIS:

Your Directors are please to inform you that total income of Rs.24.53 Crores for the year ended 2009-10 as against Rs.16.21 Crores for the year ended 2008-09. The turnover is in addition of three months due to extension of accounting year 2009-10 of the Company. The Company during the year under review has performed reasonably well. During the year under review, the turnover from export has been gradually decreased from Rs.1.37 Crores in the year ended 2008-09 to Rs. 1.20 Crores in the year ended 2009-10 representing a fall of

12.41%. Further the Company is also receiving encouraging response for its products in the domestic market, especially for the Packaging Unit due to which the Directors are hopeful of achieving decent turnover from this unit in the current year. The Boards of Directors are trying their best to improve the performance of the Company.

INDUSTRY STRUCTURE & DEVELOPMENT:

The Company is in the field of manufacturing of Paper Based Printed Packaging Material including Labels, Duplex Board, Mono Cartons Corrugated Boxes etc and stationary items. As on date the Company is having three manufacturing units.

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

PROSPECTS:

As reported in last Report the Company is concentrating on the existing customers in Printing Division which is giving encouraging results. There is steady growth in the turnover of the Printing Unit which the management are confident to continue in the current year.

PERFORMANCE REVIEW & OUTLOOK:

PRINTING OPERATION:

The Printing Division of the Company having good operation during the year and successful in generating additional business from the existing customers. Your Directors are confident in the current year the Company will acquire more business from the existing customers in addition to new customers. However, the effect of global recession may have an adverse impact on the performance.

STATIONARY DIVISION:

The Company was able to make a foray in the local retail market through the mega stationery stores opened in the heart of the city. The Company was also able to stabilise the Stationary Division after recession by diversifying into other stationary related items like copier paper, diaries and note pads, printed published books.

PAKAGING OPERATION:

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

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

CORPORATE AFFAIRS:

FINANCIAL YEAR:

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

June and the Company fully engage in such period. In such period, it is very difficult exercise for a Company's Staff to engage in finalization of accounting.

FINANCIAL FACILITIES:

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

COST MANAGEMENT:

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

LISTING OF SHARES:

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

CORPORATE COMPLIANCES:

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

TRANSFER OF UNPAID / UNCLAIMED DIVIDEND TO IEPF:

The last Unclaimed / Unpaid Dividend for the Financial Year 2001-02 have been transferred to Investor Education & Protection Fund of the Central Government according to the provisions of the Companies Act, 1956. The total amount of unpaid / unclaimed dividend for the Financial Year 2001-02 was Rs.1,42,759/- which was required to be transferred after a period of seven years as per the Provisions of the Companies Act, 1956. The necessary forms/documents have already been filed with the Registrar of Companies, Maharashtra. Upto the there is no unclaimed / unpaid dividend lying with the Company and all unclaimed / unpaid dividend lying with the Company have already transferred to IEPF

HUMAN RESOURCES:

During the Year under review and having regards to the global recession trends, the Company has been working / operating with minimum staff and employees. However, with the increasing trend of turnover, the Company will recruit / employ the requisite number of staff / employees. 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 Shreedhar Parande and Shri Ashutosh Potnis, Director of the Company, retires by rotation at ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. Accordingly, their re-appointment forms part of the notice of ensuing AGM. During the year under review, the Board of Directors has re-appointed Shri Nitin Dhote as a Whole Time Director of the Company with effect from 14th January 2010 for a period of three Years subject to approval of members at ensuing Annual General Meeting 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 operation / business of various parities (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 products 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 under consideration, your Company is in belief that, if said proposal accepted by the Bank, it may likely to waive penal interest and refund of interest already paid. It certainly have positive affect on the profitability of the Company which lead to increase in profit of the Company.

During the year under review, the account of the Company is continue under Stress Asset Management (SAM) with State Bank of India 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.

Holding the Cash Balances with the Company is as per the requirement of the Company's multi fold operations which are at various units located at U-116, Mondha & Stationary Divisions, etc. Having regards to the operations of the Company, the cash balances are required to be maintained. However, the cash balances have decreased/minimized during the Financial year as compared to the previous year.

During the Financial Year, the Company has taken the Internal Audit through the Team of Auditors and during the financial year the Management has improve its Internal Control System. The teams of Chartered Accountants / professional have been appointed to report for internal audit. The Internal Auditors have taken care of Internal auditing of the Company and reported to the management from time to time.

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.

COMMITTEES:

The Company is having duly appointed Audit Committee & Remuneration committee of the Board of Directors of the Company with due composition of Independent Directors.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for their continued support and co-operation by Bankers, Government Authorities, and other stakeholders. 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: 27.11.2010**

**Raghav Sharma
MANAGING DIRECTOR**

**Deepak Dhote
Jt. MANAGING DIRECTOR**

FORM 'A'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	CURRENT	PREVIOUS
	YEAR 2009-2010	YEAR 2008-2009
A. POWER AND FUEL CONSUMPTION :		
1. ELECTRICITY		
a) Purchased		
Units(KWH).....	165918	105292
(Rs.).....	Rs 871070.0/	Rs 542253.8 /
Rate / Unit (Rs./KWH).....	Rs.5.25	Rs.5.15
b) Own Generation		
Through Diesel Generator	N. A.	N. A.
Units (KWH).....		
Units per ltr. of diesel oil.....		
Cost/unit (Rs.).....		
Through Steam Turbine/Generator	N. A	N. A.
Units.....	---	---
Units per ltr. of fuel oil/gas.....	---	---
Cost/ unit (Rs.).....	---	---
2. COAL FOR DOMESTIC USE	N. A.	N. A.
(B grade for boiler)		
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 2009-2010	PREVIOUS YEAR 2008-2009
Electricity (units)		
Coal (B Grade)	N.A.	N.A.
Furnace Oil	N. A.	N.A.
Other (specify)	N.A.	N.A.
Own power		

To
The Board of Directors,
SHAKTI PRESS LTD,
NAGPUR.

CERTIFICATION BY CHIEF EXECUTIVE

I hereby certify that for the financial year 2010 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 2009 -10 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
CEO & MANAGING DIRECTOR

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 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 30th June 2010 as under:

Sr No	Name of the Director	Category	Attendance		Other Directorship/Membership	
			Board Meeting	Last AGM	Other BoDs*	Committee
1.	Suresh Kumar Sharma	Non-Executive	NIL	No	07	05
2.	Raghav K. Sharma	Executive	8	Yes	NIL	NIL
3.	Deepak S. Dhote	Executive	8	Yes	NIL	02
4.	Nitin Dhote	Executive	8	Yes	NIL	1
5.	Kailaschand Sharma	Independent	6	Yes	NIL	02
6.	Sunder Venkatraman	Independent	NIL	Yes	NIL	02
7.	Shreedhar Parande	Independent	NIL	Yes	NIL	NIL
8.	Ashutosh Potnis	Independent	5	N.A	NIL	02

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

The Board met Eight times on the following dates during the financial year 2009-2010

Dates of Board Meetings : 30th April 2009, 31st July 2009, 03rd September 2009, 24th October 2009, 31st January 2010, 27th February 2010, 17th March 2010 and 30th April, 2010.

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) Director	02
2.	Shreedhar Parande (upto 21.10.2009)	Non-Executive (Independent) Director	02
3.	Kailashchand Sharma	Non-Executive (Independent) Director	05
4	Ashutosh Potnis (w.e.f 24.10.2009)	Non-Executive (Independent) Director	03

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, five meetings of the committee were held on 25th April 2009, 25th July 2009, 23rd October 2009, 24th January 2010 & 20th April 2010.

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.	Ashutosh Potnis	Non Executive (Independent Director)	01
2.	Shreedhar Parande	Non-Executive (Independent) Director	NIL
3.	Kailaschand Sharma	Non-Executive (Independent) Director	01
4	Deepak Dhote	Executive Director	01

During the period under review, one meetings of the committee were held on 1st January 2010.

The details of remuneration paid to the Directors during the year ended on 30th June, 2010 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	NIL	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	NIL	N.A.	N.A.
6.	Sunder Venkatraman	NIL	N.A.	N.A.
7.	Shreedhar Parande	NIL	N.A.	N.A.
8	Ashutosh Potnis	NIL	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, 32 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:

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.	29 th December, 2007	U -116, MIDC, Hingna, Nagpur - 440 006 (Maharashtra)
2.	30 th September, 2008	
3.	30 ^h September,2009	

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 Times of India in English and Punya Nagri in Marathi. Some of publication in Indian Express (English) and Loksatta Marathi.

- (c) Any website, where displayed: BSE
 (d) Whether it also displays official news releases and the presentation to make to institutional investor or to analyst. : The Times of India (English) and Punya Nagri (Marathi).

9.

General shareholder Information

Sr. No	Particulars	
1.	AGM : Date, Day & time	30.12.2010 Day Thursday, Time: 4.00. P M
2.	Venue	Plot No. U-116, MIDC Hingana, Nagpur – 440 016
3.	Financial Year	1 st April 2009 to 30 th June 2010.
4.	Book Closure	25 th December, 2010 to 30 th December 2010 (both days are inclusive).
5.	Dividend Payment	Not Applicable
6.	Listing (Stock Exchange)	Bombay, Delhi & Madras
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 ADR/GDR of	Not Applicable
11.	Plant Locations	U-116, MIDC, Hingna Road, Nagpur, and two units at Mondha, Kanoli Bara Road, Hingana, Nagpur.
12.	Address for Correspondence	Shakti House, Wardha Road, Nagpur – 440 012 (Maharashtra)

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

The Equity shares of the Company have been listed during the year on the Bombay Stock Exchange Limited (BSE), Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd. However there is no trading of Company's Shares on Delhi Stock Exchange Assoc. Ltd and Madras Stock Exchange Ltd.

The Bombay Stock Exchange Limited (BSE)				
Month	Open Price	High Price	Low Price	Close Price
April - 09	4.55	5.5	4	4.76
May - 09	5.23	6.99	4.35	6.84
June -09	7.18	9.7	7	7.97
July -09	7.99	8.4	6.06	7.37
August -09	7.5	9.92	6.41	9.1
September -09	9.5	12.4	7.88	10.21
October -09	11.85	12.25	9.08	9.52
November -09	9.6	11	7.57	8.89

December -09	9.14	16	8.25	14.82
January -10	14.5	16.75	12.36	13.99
February -10	13.8	16.45	12.63	13.39
March -10	14	15.9	11.36	12.97
April -10	12.04	16.7	11.72	13.99
May-10	14	15	12.03	13.99
June -10	14.4	14.4	11.03	12.96

Share Transfer System:

The Company has appointed the Common Agency i.e. RTA for all share related 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	2112	87.2010	298652	2986520	8.4840
5001 to 10000	94	3.8810	80403	804030	2.2840
10001 to 20000	64	2.6420	100397	1003970	2.8520
20001 to 30000	55	2.2710	138270	1382700	3.9280
30001 to 40000	13	0.5370	45260	452600	1.2860
40001 to 50000	06	0.2480	30000	300000	0.8520
50001 to 100000	23	0.9500	170561	1705610	4.8450
100001 & Above	55	2.2710	2656657	26566570	75.4690
Total	2422	100.00	3520200	35202000	100.00

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 780635 Equity Shares have been dematerialised as on 30th June 2010 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

I have examined the compliance of conditions of Corporate Governance by Shakti Press Limited, for the year ended 30th June, 2010 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. My 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 my opinion and to the best of our information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I further state that in respect of investor grievances received during the year ended 30th June, 2010 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

I 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.

Place: Nagpur
Date: 04.11.2010

Aniket D Devdhar
ACS 21363 & C.P. No. 7797

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 **30th June, 2010** 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. 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:
 - 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 w.e.f. 01.07.08 on its credit facilities with SBI. Thus a provision of Rs. 2,19,68,863/- have been created as per prevailing bank rates, by the company for the period starting from 01/04/2009 To 30/06/2010.*

 - 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 30th June, 2010 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(j) of Schedule 15 to Notes to Accounts and Para 2 above 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 30th June, 2010.
 - 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**

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

M.N.39940

Place: Nagpur

Date: 30.09.2010

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) 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.7,50,79,890/- and the year end balance of loan taken from such parties was Rs. 4,47,01,416/-.
- (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 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 had appointed internal Auditor who has issued Quarterly Report on dated 25th March 2010 and 29th June 2010 for the period from 01/04/2009 till 31/12/2009 and 01/01/2010 till 31/03/2010 respectively, and thereof most of the compliances for short coming as pointed by the internal Auditor are pending. As such, the company lacks an internal control 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 30.06.2010 for a period of more than six months from the date they became payable. Except for those items referred to Notes to Accounts in Schedule 15 Item No. 2(2). In respect of Sales tax, the company has not availed Sales Tax Exemption under 1993, Package scheme of Incentives of issued by the government of Maharashtra State vide its sanctioned letter COE No.440012/S/914/E-3/LM/1823 & 1824 dated 24/10/2008.
- (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 company has incurred cash losses during the financial year covered by our audit and while in the immediately preceding financial year there is no cash loss, and further subject to our observation in para no. 2 (a), the loss may increase. Thus the company has eroded more than fifty percent of its net worth.
- (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 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 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: 30.09.2010**

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

M/S. SHAKTI PRESS LTD., NAGPUR
AUDITED BALANCE SHEET AS ON 30th JUNE, 2010

<u>PARTICULARS</u>	<u>SCH.</u> <u>NO.</u>	<u>30.06.10</u>	<u>31.03.09</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	133143742.95	155492692.24
(b) Unsecured Loans	4	117387999.57	94261586.95
TOTAL RS.		566476319.23	565698855.90
<u>Application of Funds</u>			
1 <u>Fixed Assets</u>	5		
(a) Gross Block		463125595.58	459325160.75
(-) Depreciation		124625526.66	108545818.66
(c) Net Block		338500068.92	350779342.09
2 Investments	6	138225.00	138225.00
3 <u>Current Assets Loans & Advances</u>	7		
(a) Inventories		40648361.78	100001114.28
(b) Sundry Debtors		92000036.91	95271307.71
(c) Cash & Bank Balances		3559105.92	10491805.25
(d) Deposits		16201605.62	16769692.62
(e) Loans & Advances		57659736.61	54128123.34
		210068846.84	276662043.20
<u>Less Current Liabilities & Provisions</u>	8		
(a) Sundry Creditors		48067804.64	71260646.42
(b) Provisions & Other Liabilities		32613118.00	10323046.00
(c) Other Liabilities		2069719.60	1399817.25
		82750642.24	82983509.67
Net ` Current Assets		127318204.60	193678533.53
Balance in P&L A/c.		(100314100.58)	(20770175.15)
<u>Miscellaneous Expenditure to the Extent</u>			
4 <u>Not W/O</u>	9	205720.13	332580.13
TOTAL RS.		566476319.23	565698855.90

FOR SHAKTI PRESS LTD.,

(MANAGING DIRECTOR)
(JT.MANAGING DIRECTOR)

NAGPUR
DATED: 30.09.2010

AS PER OUR REPORT OF EVEN
DATE

FOR L.B.HAJARE & CO.
CHARTERED ACCOUNTANT

L.B. HAJARE
(PROPRIETOR)

M/S. SHAKTI PRESS LTD., NAGPUR
AUDITED PROFIT & LOSS ACCOUNT AS ON 30th JUNE, 2010

<u>PARTICULARS</u>	<u>SCH.</u>	<u>30.06.10</u>	<u>31.03.09</u>
	<u>NO.</u>		
<u>INCOME</u>			
	10		
Income From Operations (Sales & Job Work Receipts)		244785365.00	160972922.15
Other Income		561474.66	1183840.79
TOTAL		245346839.66	162156762.94
	RS.		
 <u>EXPENDITURE</u>			
Cost of Sales	11	241818403.11	100901023.06
Staff Expenses	12	4624624.00	2879605.00
Operating Expenses	13	20367263.15	15651306.58
Administrative & Selling Expenses	14	14281320.45	8987262.92
Interest		27719446.38	19599601.06
Depreciation		16079708.00	12874567.00
TOTAL		324890765.09	160893365.62
	RS.		
 Profit/Loss Before Taxation	 (+)	 (79543925.43)	 1263397.32
Provision for Taxation			
Profit/Loss for the Year	(+)	(79543925.43)	1263397.32
 Balance of P&L A/c. B/F	 (-)	 (20770175.15)	 (22033572.47)
Amount Available for Appropriation	(-)	(100314100.58)	(20770175.15)
 <u>APPROPRIATIONS :</u>			
Transfer to General Reserve			
Balance of Loss/CO to Balance Sheet	(-)	(100314100.58)	(20770175.15)

FOR SHAKTI PRESS LTD.,

(MANAGING DIRECTOR)
(JT.MANAGING DIRECTOR)

NAGPUR
DATED: 30.09.2010

AS PER OUR REPORT OF EVEN

DATE

FOR L.B.HAJARE & CO.
CHARTERED ACCOUNTANT

L.B. HAJARE
(PROPRIETOR)

M/S. SHAKTI PRESS LTD., NAGPUR

AUDITED SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 30th JUNE 2010

<u>PARTICULARS</u>	<u>SCH.</u> <u>NO.</u>	<u>30.06.10</u>	<u>31.03.09</u>
<u>SCHEDULE 1 :</u>			
<u>Share Capital</u>			
<u>Authorised:</u>			
1		80000000.00	80000000.00
2		30000000.00	30000000.00
		110000000.00	110000000.00
<u>Issued Subscribed & Paid up :-</u>			
1		35202000.00	35202000.00
2		30000000.00	30000000.00
3		11072000.00	11072000.00
		76274000.00	76274000.00
<u>SCHEDULE 2 :</u>			
<u>Reserves & Surplus</u>			
1		61772000.00	61772000.00
2		2900000.00	2900000.00
3		174998576.71	174998576.71
		239670576.71	239670576.71
<u>SCHEDULE 3 : Secured Loans</u>			
1	<u>From SBI, Hingna Indl.Estate Branch, Nagpur</u>		
	(a) Term Loan (Rupee) A/c.	82978134.19	82978134.19
	(b) Term Loan (FCNR) A/c.	(8060469.00)	(8060469.00)
	(c) SBI Cash Credit A/c.	41234417.05	63132921.05
	(d) SBI WCTL	9575881.00	9575881.00
	(e) SBI FITL	7307723.00	7307723.00
2	<u>From ICICI Bank against Vehicles</u>		
	(a) ICICI Bank Vehicle Loan (Bolero)	39240.94	174040.00
	(b) ICICI Bank Vehicle Loan (Skoda)	68815.77	362493.00
	(c) ICICI Bank Vehicle Loan (Tata Indica)	0.00	21969.00
		133143742.95	155492692.24
<u>SCHEDULE 4 : Unsecured Loans</u>			
1	Intercompany Deposits from Bodies Corporate		
	Aditi Multi Commodities Pvt Ltd, Mumbai	7900000.00	0.00
	Albeli Leasing & Finance Pvt Ltd	47293.00	44616.00
	Amtik International Ltd, Mumbai	4100000.00	0.00
	Centurian HDFC Bank O/D A/c 095	5014657.99	4936311.54
	Centurian HDFC Bank O/D A/c 113	4488673.05	5131934.36
	Centurian HDFC Bank O/D A/c 130	1675281.53	224312.05
	Kalpana Sharma, Nagpur	2074043.00	7755259.00
	Mahalaxmi Commercial Services Pvt Ltd Nagpur	2762088.00	2635580.00

Markdat Advertising Pvt Ltd Nagpur	895796.00	854767.00
New Mount Trading & Investment Ltd	10395880.00	11095880.00
Nidhi Commodities Pvt Ltd, Mumbai	5100000.00	0.00
Nova Marketing Pvt Ltd, Nagpur	10850209.00	8573807.00
Prasidh Commercial Services Pvt Ltd, Nagpur	12523836.00	12395954.00
Salasar Multi Commodity Pvt Ltd, Mumbai	2500000.00	0.00
Sarsan Securities Pvt Ltd, Mumbai	5400000.00	0.00
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	1672052.00	14979470.00
Suman Sales & Services Pvt Ltd, Mumbai	5000000.00	0.00
Sundaram Multi Pap Ltd, Mumbai	5200000.00	0.00
Sureshkumar Sharma, Nagpur	587410.00	9570598.00
Update Marketing Pvt Ltd, Nagpur	11988689.00	10451007.00
Vidhi Sales Pvt Ltd, Mumbai	3600000.00	0.00
Vinson Industries Pvt Ltd. Visakhapatnam	8000000.00	0.00
	<u>117387999.57</u>	<u>94261586.95</u>

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 Distilliers Ltd.(500 Shares)	85125.00	85125.00
6 Shares of Madhya Desh Paper Ltd.	16100.00	16100.00
	<u>138225.00</u>	<u>138225.00</u>

SCHEDULE 7 : Current Assets Loans & Advances

(a) Inventories

i) Raw Material (Including Consumables)	28911492.78	46903667.19
ii) Work in Process	11519283.00	24125081.12
iii) Finished Goods	217586.00	28972365.97
	<u>40648361.78</u>	<u>100001114.28</u>

(b) Sundry Debtors : As per List Attached

<u>92000036.91</u>	<u>95271307.71</u>
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(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	1504821.00	4875.00
Cash in Hand (Factory)	1241031.61	10212465.91
Cash in Hand (Mondha)	3473.50	0.00
IDBI Bank C/A A/c 51012010000922	148158.23	144139.23
Indus Ind Bank Ltd. C/A A/c	0.00	54189.72
State Bank of India C/A No. 300878794	510034.58	(59863.61)
ICICI Bank, Nagpur Unpaid Dividend	151587.00	135999.00
	<u>3559105.92</u>	<u>10491805.25</u>
	<u>3559105.92</u>	<u>10491805.25</u>

(d) Deposits

E.C.G.C Pre-Paid Insurance	2735.00	0.00
Earnest Money Deposit	408472.00	505472.00
Earnest Money Deposit(LIC of India)	200000.00	0.00
EMD (M.A.I.D.C.Ltd),Nagpur	10000.00	0.00
Excise Duty	4147368.61	5605600.61
FDR (IDBI Bank Ltd)Sitabuldi Branch Nagpur	376192.00	357523.00
FDR of Margin Money with Bank SBI A/c	4798775.00	4372082.00
Interest Receivable	3808282.98	3803282.98
MSEB,Nagpur	405104.00	468546.00
Retention Money Deposit	211090.70	220651.70
Sales Tax Paid against Appeals	45000.00	45000.00
Security Deposit (MSEB Mondha II)	102500.00	62860.00
Security Deposit (MSEB Mondha Project)	120997.00	26631.00
Security Deposit (MSSC LTD Akola)	141496.71	141496.71
Security Deposit (Telephone Tata)	0.00	7000.00
Security Deposit (Water Department)	13326.00	11178.00
Security Deposit A/c	13024.00	78024.00
Telecom Department	0.00	31500.00
	<u>14804364.00</u>	<u>15736848.00</u>

Other Debit Balances

Excise (Capital)	0.00	0.00
Excise (Personal Ledger A/c)	57000.00	0.00
Excise Duty	601841.00	0.00
Service Tax	79100.00	121466.00
TDS A/c IT	402167.13	654245.13
TDS A/c WC	257133.49	257133.49
	<u>1397241.62</u>	<u>1032844.62</u>
	<u>16201605.62</u>	<u>16769692.62</u>

(e) Loans & Advances :

(1) Advances to Parties	56715389.51	51496390.75
(2) Staff	398140.10	2151525.59
(3) Advance to Director	546207.00	480207.00
	<u>57659736.61</u>	<u>54128123.34</u>

SCHEDULE 8 : Current Liabilities & Provisions

(b) Provisions & Other Liabilities

Provisions

Audit Fees Payable	150000.00	0.00
Bank Interest Payable	31188845.00	9220000.00
ESIC a/c Contractor Payable	3226.00	7450.00
ESIC a/c Employee Payable	12762.00	0.00
Excise Duty Payable	356000.00	0.00
FBT Payable	174591.00	363428.00
Grampanchyat Tax Payable	145635.00	0.00
Labour Welfare Fund Payable	1920.00	0.00
Managerial Remuneration Payable	0.00	184558.00

Power & Electricity Payable	340020.00	383990.00
Professional Tax Payable	5950.00	0.00
Providend Fund Payable	52328.00	0.00
Remuneration to Director Payable	54500.00	0.00
Salary Payable	20369.00	59150.00
Wages Payable	103398.00	101317.00
Water charges Payable	3574.00	3153.00
	<u>32613118.00</u>	<u>10323046.00</u>

(c) Other Liabilities

CST Payable	0.00	12405.00
TDS Payable	1626731.50	2243855.00
Unpaid Dividend 00-01	151587.00	135999.00
Vat Payable	291401.10	(992441.75)
	<u>2069719.60</u>	<u>1399817.25</u>

M/S. SHAKTI PRESS LTD., NAGPUR

AUDITED SCHEDULES FORMING PART OF PROFIT & LOSS A/C. ON 30th JUNE, 2010

<u>S.NO.</u>	<u>PARTICULARS</u>	<u>30.06.10</u>	<u>31.03.09</u>
	<u>Schedule No.10 :- Income from Operations :</u>		
	<u>Sales & Job Work Receipts :-</u>		
i)	Gross Sales	259970542.88	173024094.77
	a. Domestic	247913654.68	
	b. Export	<u>12056888.20</u>	
ii)	Job Work Receipts		
iii)	Packing & Forwarding Charges Recovered	550175.00	582789.00
		<u>260520717.88</u>	<u>173606883.77</u>
	Less :- Excise duty	9467255.47	9112726.39
	Less :- Vat+ CST	6268554.41	3521235.23
		<u>15735352.88</u>	<u>12633961.62</u>
	Net Sale	<u>244785365.00</u>	<u>160972922.15</u>
	<u>Other Income</u>		
i)	Dividend Received	3900.00	3750.00
ii)	Remission	7142.42	0.00
iii)	Other Income	550432.24	1180090.79
		<u>561474.66</u>	<u>1183840.79</u>
	TOTAL RS.	<u>245346839.66</u>	<u>162156762.94</u>

Schedule No.11 : Cost of Sales

	<u>Opening Stocks</u>	100001114.28	63167554.00
	<u>Add. Purchases of :</u>		
1	Paper	169676254.98	130596861.08
2	Ink	1336675.60	228151.00

3	Process Material	5268267.09	3582152.82
4	Coating Material	0.00	24714.00
5	Packing Material	2944378.12	3196054.00
6	Offset Plates & Chemicals	1901493.29	53133.25
7	Oils & Lubricants	1592230.50	962549.00
8	Gum & Adhesives	4522318.77	3134066.10
9	Calender Tin Patti	712712.89	594385.89
10	Pigments & Ink Chemicals	3685424.40	4752574.50
11	Book Binding Cloth & Thread	885717.00	217522.00
12	Light Diesel Oil	1069684.00	851114.00
13	M/c.Cleaning Material	260626.00	218800.00
		<u>193855782.64</u>	<u>148412077.64</u>
	Less: Excise & VAT	<u>11390132.03</u>	<u>10677494.30</u>
		<u>182465650.61</u>	<u>137734583.34</u>
		<u>282466764.89</u>	<u>200902137.34</u>

B/F 282466764.89 200902137.34

Less Closing Stocks

1	Paper	22413228.50	40447192.38
2	Pigments & Ink Chemicals	968654.09	2035631.17
3	Ink & Chemicals	232686.50	44150.04
4	Process Material	703250.96	1559911.84
5	Oils & Lubricants	842365.00	203812.00
6	Binding Cloth & Thread	754530.00	129603.43
7	Gums & Adhesives	852458.00	1177064.42
8	Packing Material	1655240.00	1167480.37
9	Coating Material	5218.00	11143.65
10	Other Consumables	483861.73	127677.89
11	Finished Goods & WIP	11736869.00	53097447.09
		<u>40648361.78</u>	<u>100001114.28</u>
	TOTAL RS.	<u>241818403.11</u>	<u>100901023.06</u>

Schedule 12 : Staff Expenses

i)	Wages to Workers	2909314.00	1821531.00
ii)	Workers Welfare Expenses	707923.00	429666.00
iii)	Contribution to ESI	572846.00	348679.00
iv)	Contribution to PF	430635.00	277335.00
v)	Contribution to Labour Welfare Fund	3906.00	2394.00
	TOTAL RS.	<u>4624624.00</u>	<u>2879605.00</u>

Schedule 13: Operating Expenses

1	Factory Expenses	3731353.50	1792590.00
2	Octroi Expenses	429540.50	333369.00
3	Outside Job Charges	836091.00	1987949.50
4	Power & Electricity Charges	6467175.24	5422841.00
5	Process Expenses	567574.20	318717.00
6	Repairs & Maintenance to Elect.Installations	271055.92	363123.88
7	Repairs & Maintenance to Factory Bldg.	150845.00	277453.00
8	Repairs & Maintenance to Generator	59895.75	146386.35

9	Repairs & Maintenance to Machinaries	1529460.73	2165118.64
10	Security Service Charges	932194.00	688074.00
11	Stores & consumable	1552204.05	0.00
12	Carriage Inward	3765498.26	2100732.21
13	Water Charges	74375.00	54952.00
	TOTAL RS.	<u>20367263.15</u>	<u>15651306.58</u>

Schedule 14 : Selling & Administrative Expenses

1	Accounting Charges & Supervision Charges	219430.00	224570.00
2	Advertisement Charges	159119.00	37364.00
3	Audit Fees	205000.00	90000.00
4	Bank Commission & Charges	189803.62	1167480.59
5	Carriage Outward	2822723.78	0.00
6	Commission & Brokerage	35625.00	13500.00
7	Computer Expenses	145303.00	151673.00
8	Consultancy Charges	335922.00	314865.00
9	Conveyance Charges	965927.27	707796.07
10	Donations	0.00	3278.00
11	Excise Duty	101434.30	6000.00
12	Export Expenses	594770.40	698201.00
13	Filing Fees	8975.00	35322.00
14	Francking Charges	17511.00	0.00
15	Fringe Benefit Tax	0.00	174591.00
16	Income Tax Expenses	9356.00	0.00
17	Inspection Fees	27200.00	23300.00
18	Insurance Expenses	551722.00	441465.00
19	Legal Expenses	283179.00	402302.00
20	Licence Fees	6000.00	6000.00
21	Listing Fees	22205.00	170000.00
22	Loss of Sale Assets of Vehicle	0.00	119271.00
23	Membership Subscription	119412.25	38446.80
24	Newspaper & Periodicals	5095.00	4336.50
25	Office Expenses	168315.50	64812.00
26	Pooja & Functions Expenses	110076.50	47963.00
27	Postage & Telegrams	230944.87	138592.46
28	Preliminary Exp. W/o	126860.00	126860.00
29	Printing & Stationery	103654.00	73905.00
30	Professional Charges	246282.90	175877.00
31	Professional Tax Co.	5000.00	0.00
32	Reimb.of Medical Exp.(Directors)	103971.00	368618.00
33	Remission a/c	0.00	5411.49
34	Remuneration to Directors	687442.00	684000.00
35	Rent Rates & Taxes	572380.00	195172.00
36	Repairs & Maintenance to Office Equipment	34359.00	18310.00
37	Repairs & Maintenance to Vehicles	645606.00	444769.00
38	Retainership Charges	443953.00	198000.00
39	Salaries to Office Staff	779929.00	784663.00

40	Sales Promotion Expenses	423979.51	98971.76
41	Sales Tax Expenses	1781100.35	65000.00
42	Secy. Deptt. Expenses	44272.00	30419.80
43	Service Tax	61220.00	4762.00
44	Telephone Expenses	423305.22	355180.00
45	Tender Fees	600.00	7600.00
46	Travelling Expenses	462355.98	268614.45
	TOTAL RS.	<u>14281320.45</u>	<u>8987262.92</u>

Schedule 05 :- Depreciation :

		16079708.00	12874567.00
	TOTAL RS.	<u>16079708.00</u>	<u>12874567.00</u>

SHAKTI PRESS LIMITED, NAGPUR
STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 30.06.2010

SR	NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION			TOTAL	NET BLOCK	
		Gross Block AS on 01.04.09	Addition 01.04.09 30.06.10	Disposals	Gross Block AS on 30.06.10	Gross Block As Per Revauation	Up to Last Year			For The Year
	LAND									
1	1. MIDC LEASE HOLD	204572.90			204572.90	6544800.00			6544800.00	
2	2. MONDHA	1763197.00			1763197.00	131162000.00			131162000.00	
3	FACTORY BUILDING									
	(a) MIDC	12684594.04	93874.00		12778468.04	19733337.00	4942987.50	529929.00	5472916.50	14260420.50
	(b) Mondha	52521923.60	2455285.00		54977208.60	53119139.00	9853088.00	2230612.00	12083700.00	41035439.00
4	ELECTRICAL INSTALLATION									
	(a) MIDC	3146032.60	476580.25		3622612.85	2676580.25	1710007.00	198369.00	1908376.00	768204.25
	(b) Mondha	3095042.00			3095042.00	4000000.00	948413.00	183768.00	1132181.00	2867819.00
5	PLANT & MACHINERY	202276778.15	765365.58		203042143.73	196745965.58	86925435.66	12032107.00	98957542.66	97788422.92
	(Including Office Equipment)									
6	FURNITURE & FIXTURES	2178083.75	9330.00		2187413.75	2187413.75	719871.50	138231.00	858102.50	1329311.25
7	VEHICLES	6456360.00			6456360.00	6456360.00	3446016.00	766692.00	4212708.00	2243652.00
8	BRANDS	0.00	0.00		0.00	40500000.00	0.00	0.00	0.00	40500000.00
	TOTAL	284326584.04	3800434.83	0.00	288127018.87	463125595.58	108545818.66	16079708.00	124625526.66	338500068.92

Cash Flow Statement as per AS - 3
For the year ending 30.06.2010

Particulars	Amount	Amount	Amount	Amount
	F.Y. 01.04.09 To 30.06.2010		F.Y. 2008-09	
<u>A. Cash Flow from Operating Activities</u>				
Net Profit / (Loss) Before Tax	(79,543,925.43)		1,263,397.32	
(Excluding extra ordinary items)				
Adjustment for Non Cash Items:				
Add:				
Depreciation for the year	16,079,708.00		12,874,567.00	
Pre. Expenses W/off	126,860.00		126,860.00	
Loss on Sale of Investment/ Fixed Assets	-		119271.00	
Fringe Benefit Tax	-		174,591.00	
Interest Expense	27,719,446.38		19,599,601.06	
Provision for Expenses	-		90,000.00	
Less:				
Gain on sale of investement/Fixed Assets	-			
Interest Income/ Other Income	561,474.66		1,183,840.79	
Operating Profit before working capital changes				
Add:				
Decrease in Accounts receivable	3,271,270.80			
Decrease in Inventories	59,352,752.50			
Decrease in Deposits.	5,68,087.00		2,98,56,849.90	
Increase in accrued Liability	6,69,902.35			
Increase in Provisions	22,290,072.00		8,797,533.00	
Less:				

Increase in Accounts receivable	-	59,397,414.97	
Increase in Prepaid Exp.	-		
Increase in Advances	3,531,613.27	7,936,946.97	
Decrease in accounts payable	23,192,841.78		
Decrease in accrued Liability	-	2,174,647.07	
Decrease in Provisions	-		
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	-	-	
(a) Total Cash from Operating Activities	2,38,05,818.55		22,09,820.48
<u>B. Cash Flow from Investing Activities</u>			
Add:			
Sale of Fixed Assets, Investments	-	175,000.00	
Loans & Advances received Back			
Interest & Dividend received	3900.00	1,183,840.79	
Less:			
Purchase of Fixed Assets	3,800,434.83	577,673.00	
Loans & Advances Given			
(b) Net Cash from investing Activities	(37,96,534.83)		781,167.79
<u>C. Cash Flow from Financing Activities</u>			
Add:			

Proceeds from Issuance of Share Capital			
Loans & Advances Taken	23,126,412.62		11,042,050.76
Less:			
Repayment of Pref.Capital/ Debentures/ Loans P.			
Deposits	22,348,949.29		6,594,752.52
Interest & Dividend Paid	27,719,446.38		19,599,601.06
(c) Net Cash from investing Activities			
(c) Net Cash from Financing Activities		(26,941,983.05)	(15,152,302.82)
Net Increase (+)/ Decrease(-)/ in cash & Cash Equivalent		(69,32,699.33)	(1,51,52,302.82)
Cash & Cash Equivalent at the beginning of the period	14,863,887.25		27,025,201.80
Less: FDR of margin money with SBI (consider in deposits)	(43,72,082.00)	1,04,91,805.25	
Cash & Cash Equivalent at the end of the period		3,559,105.92	14,863,887.25

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:30.09.2010

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 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.

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 :-

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

2. **Contingent liability not provided for in respect of :** (Rupees'000)

	30.6.2010	31.3.2009
[1] Bank Guarantees issued against		
a) Bond Issue to Central Excise department for Removal of goods without payment of Excise Duty.	183.00	183.00
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	22,285.40	415.40
	<u>BST</u>	<u>CST</u>
A.Y. 1994-95	Rs. 60,958.00	Rs. 19,648.00
A.Y. 1995-96	Rs. 30,47,187.00	Rs. 80,44,572.00
A.Y. 1997-98	Rs. 3,34,789.00	Rs. -----
A.Y. 1998-99	Rs. 13,07,401.00	Rs. 25,23.838.00
A.Y. 1999-00	Rs. 30,60,000.00	Rs. 38,87,000.00
	-----	-----
Total	Rs. 78,10,335.00	Rs. 1,44,75,058.00

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
 Prasadh 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	20506172.00
Sale Goods	27574135.50
Amount Paid on their behalf	70816203.87
Loan Given	32100000.00
Loan Taken	4800000.00
Amount Paid on our behalf	70663352.88
Amount Received on our behalf	500000.00
Payment received against Bills	17640871.00
Payment made against Bills	16564085.00
Interest Paid	4313226.00
Interest Received	----
Directors Remuneration	6,87442.00

5. Earning Per Share as per Accounting Standard 20

	30.6.2010	31.03.2009
(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 share

outstanding during the year	35,20,200
b) Net Profit/(Loss) after tax available for equity share Holders (in Rupees in 000)	- NIL
(c) Basic and diluted earning per share (in Rupees)	- NIL

6. Interest includes :-	30.06.2010	31.03.2009
Interest payment on C/C. A/c. (including commission)	8084.85	1767.04
Interest payment on Term Loan	13884.02	3697.25
Others	5750.58	4915.31
TOTAL	27719.45	19630.75

7. Payment to Auditors include :-	30.06.2010	31.03.2009
For Audit fees (Statutory) :	60.00	50.00
For Tax Audit Fees :	30.00	20.00
For Other matters (Certification and Taxation) :	60.00	20.00
TOTAL	150.00	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 exiting 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.

	30.06.2010	31.03.2009
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)
	30.06.2010		31.03.2009	
	Qty. Amt.		Qty. Amt.	
iv) Sales	244785.37		16097.92	
Job Work Receipts	-	-	-	-
v) Stocks				
PAPER : (in Reams)				
Opening Stock	88895	40447.19	42545	19144.21
Closing Stock	48724	22413.23	88895	40447.19
INK : (in Kgs)				
Opening Stock	-	-	-	-
Closing Stock	-	-	-	-

COATING MATERIAL (in Ltrs)

Opening Stock	202	11.14	134	7.13
Closing Stock	87	5.22	202	11.14

WORK IN PROCESS:

Opening Stock	---	24125.08		23454.85
Closing Stock		11519.28		24125.08

FINISHED GOODS

Opening Stock		28972.37		17943.55
Closing Stock		217.59		28972.37

OTHERS

Opening Stock	---	---	---	---
Closing Stock	---	---	---	---

B) Raw material consumed

Paper (Reams)	64727.66	187710	109293.91	240206
Ink (Kgs)				
Coating Material (Ltrs.)	99.00	5.93	20.70	376
Others	-	-	-	-
	30.06.2010		31.03.2009	

Amount % **Amount %**
C) i) Value of Consumption of

Imported raw materials	---	---	---	---
ii) Value of Consumption of Indigenous raw materials	187710.21		109293.91	
iii) Value of Consumption of Imported Components and spare parts	--	---	---	---
iv) Value of Consumption of Indigenous Components and spare parts	---	---	---	---
		187710.21	109293.91	
			(Rupees '000)	
	30.06.2010			31.03.2009
14) FOB Value of Exports (Deemed Export)*.		---		
15) The Company is supporting supplier to Exporter under EPCG Scheme)				
Direct Export	--		9750.82	
Deemed Export	12056.89		3978.28	
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**

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: 30.09.2010

Auditor's Certificate

We have examined the above Cash Flow Statement of Shakti Press Limited for the year ended 30th June 2010. 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.

1	1
---	---

L22219MH1993PLC071882

Balance Sheet

Date

3	0
---	---

0	6
---	---

2	0	1	0
---	---	---	---

Date Month Year

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

Public Issue	Total Assets																
<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-										
-	-	-	-	-	-	-	-										
Bonus Issue	Private Issue																
<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-										
-	-	-	-	-	-	-	-										

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

Total Liabilities	Total Assets												
<table border="1" style="width: 100%;"><tr><td>5</td><td>6</td><td>6</td><td>4</td><td>7</td><td>6</td></tr></table>	5	6	6	4	7	6	<table border="1" style="width: 100%;"><tr><td>5</td><td>6</td><td>6</td><td>4</td><td>7</td><td>6</td></tr></table>	5	6	6	4	7	6
5	6	6	4	7	6								
5	6	6	4	7	6								
Sources of Funds Paid up Capital	Reserves & Surplus												
<table border="1" style="width: 100%;"><tr><td>7</td><td>6</td><td>2</td><td>7</td><td>4</td></tr></table>	7	6	2	7	4	<table border="1" style="width: 100%;"><tr><td>2</td><td>3</td><td>9</td><td>7</td><td>6</td><td>0</td></tr></table>	2	3	9	7	6	0	
7	6	2	7	4									
2	3	9	7	6	0								
Secured Loans	Unsecured Loans												
<table border="1" style="width: 100%;"><tr><td>1</td><td>3</td><td>3</td><td>1</td><td>4</td><td>3</td></tr></table>	1	3	3	1	4	3	<table border="1" style="width: 100%;"><tr><td>1</td><td>1</td><td>7</td><td>3</td><td>8</td><td>8</td></tr></table>	1	1	7	3	8	8
1	3	3	1	4	3								
1	1	7	3	8	8								
Application of Funds Net Fixed Assets	Investments												
<table border="1" style="width: 100%;"><tr><td>3</td><td>3</td><td>8</td><td>5</td><td>0</td><td>0</td></tr></table>	3	3	8	5	0	0	<table border="1" style="width: 100%;"><tr><td>1</td><td>3</td><td>8</td><td>.</td><td>2</td><td>3</td></tr></table>	1	3	8	.	2	3
3	3	8	5	0	0								
1	3	8	.	2	3								
Net Current Assets	Misc Expenditure												
<table border="1" style="width: 100%;"><tr><td>1</td><td>2</td><td>7</td><td>3</td><td>1</td><td>8</td></tr></table>	1	2	7	3	1	8	<table border="1" style="width: 100%;"><tr><td>2</td><td>0</td><td>5</td><td>.</td><td>7</td><td>2</td></tr></table>	2	0	5	.	7	2
1	2	7	3	1	8								
2	0	5	.	7	2								
Accumulated Losses	<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-						
-	-	-	-	-	-								
<table border="1" style="width: 100%;"><tr><td>1</td><td>0</td><td>0</td><td>3</td><td>1</td><td>4</td></tr></table>	1	0	0	3	1	4							
1	0	0	3	1	4								

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

Turnover	Total Expenditure												
<table border="1" style="width: 100%;"><tr><td>2</td><td>4</td><td>4</td><td>7</td><td>8</td><td>5</td></tr></table>	2	4	4	7	8	5	<table border="1" style="width: 100%;"><tr><td>3</td><td>2</td><td>4</td><td>8</td><td>9</td><td>0</td></tr></table>	3	2	4	8	9	0
2	4	4	7	8	5								
3	2	4	8	9	0								
Profit/ Loss before tax	Profit/Loss After tax												
<table border="1" style="width: 100%;"><tr><td>7</td><td>9</td><td>5</td><td>4</td><td>3</td></tr></table>	7	9	5	4	3	<table border="1" style="width: 100%;"><tr><td>7</td><td>9</td><td>5</td><td>4</td><td>3</td></tr></table>	7	9	5	4	3		
7	9	5	4	3									
7	9	5	4	3									
Earning Per Share in Rs.	Dividend Rate												
<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	<table border="1" style="width: 100%;"><tr><td>-</td><td>-</td></tr></table>	-	-							
-	-	-											
-	-												

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
---	---	---	---	---	---	---	---

RAGHAV K. SHARMA
MANAGING DIRECTOR

DEEPAK S DHOTE
JT MANAGING DIRECTOR

DIRECTOR

Place: Nagpur
Dated: 27.11.2010

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 SEVENTEEN ANNUAL GENERAL MEETING of the Company, at U-116, M.I.D.C. Hingna Industrial Area, Nagpur to be held on Thursday, the 30th December 2010 at 4.00 PM 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 SEVENTEEN ANNUAL GENERAL MEETING of the Company, to be held on Thursday, the 30th December 2010 at 4.00 PM and at any adjournment thereof.

Signed : _____

Place : _____

Dated : _____

<p>Affix 15 Paise Revenue Stamp</p>

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