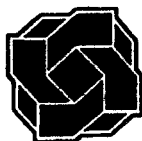


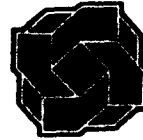
Report  Junction.com

# 11<sup>th</sup> Annual Report 2003 - 04



**ALPHA**  
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**FUEL LIMITED**

*Energy forever....*



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**FUEL LIMITED**

**Board of Directors**

Rajendra Sanghvi  
Sudha Sanghvi  
Jayant Shah  
Alpa Shah  
Haren Shah

**Auditors**

Messrs. Shah Hitesh K.  
Chartered Accountants  
Mumbai

**Bankers**

The Kapol Co-operative Bank Ltd.  
The Pratap Co-operative Bank Ltd.

**Registered Office & Factory**

Station Road  
Lakhtar  
Dist. Surendranagar  
Gujarat 382 775  
Tel. : 02759 223284

**Head Office**

7/C Poornima  
503 M. G. Road  
Mumbai 400 080  
Telefax : 022 2564 8374

**Share Transfer Agents**

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup West  
Mumbai 400 078  
Tel. : 022 5555 5454  
Fax : 022 2555 5353  
email : [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)



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FUEL LIMITED**

## NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of **ALPHA HI-TECH FUEL LIMITED** will be held on Monday, 28th June, 2004 at 11:00 a.m. at the Registered Office of the Company at Station Road, Lakhtar, Dist. Surendranagar, Gujarat - 382 775 to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2004 and Profit & Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajendra Sanghvi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Haren Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration. The retiring auditors M/s. Shah Hitesh K., Chartered Accountants, being eligible for re-appointment, have offered themselves for re-appointment.

Lakhtar, 3rd June, 2004

By order of the Board

### Registered Office :

Station Road,  
Lakhtar, Dist. Surendranagar,  
Gujarat 382 775.

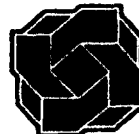
**HAREN SHAH**  
Director

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form must be lodged at the registered office of the Company not less than 48 hours before the time of the meeting.

2. The Shares of the Company continue to be listed on the Stock Exchanges at Mumbai, Ahmedabad and Rajkot and the listing fees have been paid to each of the exchanges, except to the Ahmedabad and Rajkot Stock Exchanges.
3. The Register of Members and Share Transfer Register of the Company will remain closed on 28th June, 2004.
4. Members are requested to intimate to the Company's Registrar and Share Transfer Agents, change, if any, in their registered address immediately.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.


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**Details of the Directors seeking re-appointment in Annual General Meeting fixed for 28th June, 2004.**

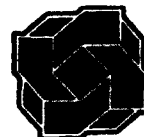
|   |   |  |
|---|---|--|
| Name of Director  | Rajendra Sanghvi  | Haren Shah   |
| Date of Birth   | 27-07-1955  | 08-01-1958   |
| Date of Appointment   | 01-06-1999  | 29-01-1993   |
| Expertise, in specific functional area  | Electrical & Electronics                                  | Finance & Taxation   |
| Qualification   | GCD   | B. Com., CA  |
| List of outside Directorship held   | Alpha Hi-Tech Papers & Pulp Ltd.                          | Alpha Hi-Tech Papers & Pulp Ltd.<br>Maharaja Forwarders Pvt. Ltd.                      |
| Chairman/Member of the committees of the Board of Directors of the Company                      | Member - Shareholders'/<br>Investors' Grievance Committee | Chairman - Audit Committee<br>Member - Shareholders'/Investors'<br>Grievance Committee |
| Chairman/Member of the committees of Directors of other Companies in which he/she is a Director | None  | None   |

Lakhtar, 3rd June, 2004

By order of the Board

Registered Office :  
 Station Road,  
 Lakhtar, Dist. Surendranagar,  
 Gujarat 382 775.

**HAREN SHAH**  
 Director



**ALPHA**  
**HI-TECH**  
**FUEL LIMITED**

## **CORPORATE GOVERNANCE**

ALPHA HI-TECH FUEL LIMITED believes, effective Corporate Governance makes an important contribution to an efficient market economy. Towards this end, your Company is committed to the attainment of high level of transparency and accountability in all facets of its operations, including its dealings with the Government, its shareholders, employees and other stakeholders. Your Company believes that all its operations and actions must serve the ultimate goal of enhancing shareholder value and that a strong Corporate Governance is indispensable to the healthy growth of a vibrant capital market, besides being important to investor protection. Both, the management and the Board of Directors are obligated to promote the welfare of your Company and to achieve sustainable growth in the profitability of your Company.

The Board is conscious of the need to maintain high standards of competence amongst its members. In pursuit of this objective, the Board has adopted the following policies and principles concerning its membership, composition, deliberations, performance and other related areas. These policies are in compliance with the various recommendations as prescribed by the Securities and Exchange Board of India (SEBI) and the Listing Agreement.

### **BOARD OF DIRECTORS**

Your Board of Directors recognises its stewardship responsibility to oversee the conduct of your Company's overall business and to supervise the management responsibility for the day-to-day conduct of business. Your Board includes eminent individuals who have excelled in their respective areas of specialisation and comprises individuals drawn from management, financial and other fields.

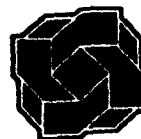
Your Company presently has five Directors on its Board. The Board comprises non-executive Directors. They are all dependent Directors and they all belong to promoter group.

The Company has not entered into any materially significant transaction with its promoters, directors or the management, relatives, etc. that may have potential conflict with the interests of the Company at large.

### **BOARD PROCEDURE**

The meetings of the Board of Directors are normally scheduled well in advance and a detailed agenda folder is circulated to the Directors. The Board folder contains detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively. The Directors, including the non-executive Directors, actively participate in the lengthy deliberations of the Board. The Chairman briefs the Board at every meeting on the overall performance of the Company and the important matters discussed at the meetings of the Audit Committee and the Shareholders'/Investors' Grievances Committee are also highlighted. The functions performed by the Board include reviews of :

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Compliance with statutory/regulatory requirements and review of major legal issues
- Adoption of quarterly/half-yearly/annual results
- Significant labour problems
- Transactions pertaining to purchase/disposal of property
- Major accounting provisions and write-offs.


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**DIRECTORS' INTEREST IN THE COMPANY AND ATTENDANCE RECORD**

It is imperative that the shareholders know the following details of their Directors' interest in the Company, their attendance record as well as contributions made by them :

| Name of the Director | Relationship with other Directors   | No. of Board Meetings |          | Attended last AGM on 5th June, 2003 |
|----------------------|---|-----------------------|----------|-------------------------------------|
|                      |   | Held                  | Attended |                                     |
| Mr. Rajendra Sanghvi | Brother-in-law of Haren Shah, co-brother-in-law of Jayant Shah & Husband of Sudha Sanghvi         | 4                     | 4        | Yes                                 |
| Mrs. Sudha Sanghvi   | Wife of Rajendra Sanghvi and sister of Haren Shah   | 4                     | 4        | Yes                                 |
| Mr. Jayant Shah      | Brother-in-law of Haren Shah and co-brother-in-law of Rajendra Sanghvi                            | 4                     | 4        | Yes                                 |
| Mrs. Alpa Shah       | Wife of Haren Shah  | 4                     | 4        | Yes                                 |
| Mr. Haren Shah       | Brother-in-law of Rajendra Sanghvi & Jayant Shah, Brother of Sudha Sanghvi & Husband of Alpa Shah | 4                     | 4        | Yes                                 |

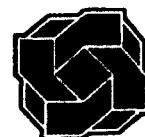
\* None of the Directors was paid sitting fees during the year 2003-04.

**THE CONSTITUTION OF THE BOARD**

Particulars of the Directorship of Board, membership and office of the Chairman of Board Committees are given below :

| Name of the Director  | Directorships held | Membership of Board Committees * | Chairman of Board Committees * |
|---|--------------------|----------------------------------|--------------------------------|
| Mr. Rajendra Sanghvi<br>Non-Executive,<br>Dependent, Promoter Group | 2                  | 1                                | -                              |
| Mrs. Sudha Sanghvi<br>Non-Executive,<br>Dependent, Promoter Group   | -                  | 1                                | -                              |
| Mr. Jayant Shah<br>Non-Executive,<br>Dependent, Promoter Group      | 2                  | 1                                | 1                              |
| Mrs. Alpa Shah<br>Non-Executive,<br>Dependent, Promoter Group       | 3                  | 1                                | -                              |
| Mr. Haren Shah<br>Non-Executive,<br>Dependent, Promoter Group       | 3                  | 1                                | 1                              |

\* Audit Committee and Shareholders'/Investors' Grievance Committee.


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No remuneration is paid to the Board of Directors. The Company has not advanced any loans and paid any commission on profits to any of its Directors.

The Company does not have any Director with remuneration on its Board and hence, does not require a separate Remuneration Committee.

Board of Alpha Hi-Tech Fuel Ltd. fully consists of non-executive and dependent Directors, with considerable experience in their respective fields. Though, dependent Directors account for 100% of the Board at present, they have no business and/or professional relationship with the Company. The Company has Mr. Rajendra Sanghvi as Chairman, who is non-executive Director. Hence, atleast one-third of Board should comprise of Independent Directors. In the judgement of Board, though, all the Directors are dependent, it may not affect independence of judgement of the Directors.

The Company has no financial institutional lenders and hence, no nominee Director.

#### **ATTENDANCE RECORD OF THE DIRECTORS AT MEETINGS OF THE BOARD**

| Date of Board Meeting | Location | No. of Directors present |
|-----------------------|----------|--------------------------|
| 10th July, 2003       | Lakhtar  | 5                        |
| 16th October, 2003    | Lakhtar  | 5                        |
| 15th January, 2004    | Lakhtar  | 5                        |
| 3rd June, 2004        | Lakhtar  | 5                        |

#### **DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT**

Shri Rajendra Sanghvi and Shri Haren Shah retire by rotation and being eligible, have offered themselves for re-appointment.

#### **COMMITTEES OF THE BOARD**

##### **Remuneration/Compensation Committee**

The Company does not have a remuneration committee.

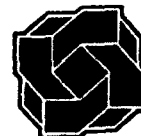
##### **Audit Committee**

The Audit Committee was constituted in March 2001 and all members are non-executive dependent Directors. The Heads of Finance & Accounting and the internal auditors are permanent invitees. The statutory auditors are also invited to attend the meetings.

The Committee acts as a link between the Statutory and the Internal Auditors on the one side and the Board of Directors of the Company on the other side.

The powers and terms of reference of the Audit Committee are as mentioned in Clause 49(II)(d) of the Listing Agreement and Section 292 (1) of the Companies Act, 1956. The terms of reference are briefly described below :

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval of payment for any other services.


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- Reviewing with management, the annual financial statements before submissions to the Board, focussing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgement by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e., transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors on any significant findings and follow-up thereon.
- 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.
- Discussion with external auditors before the audit commences on nature and scope of audit as well as to have post-audit discussions to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.

The minutes of the meetings of the Audit Committee are noted by the Board at its meetings.

The Committee held four meetings during the year, which were held on 10th July, 2003, 16th October, 2003, 15th January, 2004 and 3rd June, 2004.

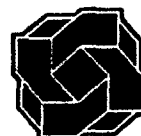
The attendance at the meetings was as under :

| Name of the Director  | No. of meetings attended |
|---|--------------------------|
| <b>Shri HAREN SHAH</b><br>Chairman, Non-Executive<br>Dependent Director | 4                        |
| <b>Shri JAYANT SHAH</b><br>Non-Executive Dependent<br>Director          | 4                        |
| <b>Smt SUDHA SANGHVI</b><br>Non-Executive Dependent<br>Director         | 4                        |

#### Share Transfer Committee

The Company's shares are compulsorily traded in the dematerialised form and have to be delivered in the dematerialised form in all Stock Exchanges. To expedite the transfer in Physical as well as Demat segment, the Board has delegated the power of share transfer and related work to the registrar and share transfer agents and share transfer formalities are attended weekly.




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Details of complaints received, number of share transfers during last year as well as average time taken for effecting transfers are highlighted in the **SHAREHOLDER INFORMATION** section of this Annual report.

#### **Shareholders'/Investors' Grievance Committee**

The Committee met on 10th July, 2003, 16th October, 2003, 15th January, 2004 and 3rd June, 2004. The constitution and particulars of meetings attended by members of the Committee are given below :

| <b>Name of the Director</b>   | <b>No. of meetings attended</b> |
|---|---------------------------------|
| <b>Mr. JAYANT SHAH</b><br>Chairman-Non-Executive,<br>Dependent Director | 4                               |
| <b>Mr. RAJENDRA SANGHVI</b><br>Non-Executive, Dependent<br>Director     | 4                               |
| <b>Mrs. ALPA SHAH</b><br>Non-Executive, Dependent<br>Director           | 4                               |
| <b>Mr. HAREN SHAH</b><br>Non-Executive, Dependent<br>Director           | 4                               |

Mr. Haren Shah is appointed as compliance officer.

Grievances from shareholders and action taken thereon are reviewed by the Committee.

Comparative statements of the various complaints received and cleared by the Company during the last year is given in following **Investor Services** section of **OTHER DISCLOSURES**

#### **Disclosures**

There are no materially significant transactions with the related party, viz., Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.

No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter relating to capital markets.

#### **Communication to shareholders**

Quarterly/half yearly/annual results and information relating to convening of Annual General Meeting are published in leading newspapers and also notified to the stock exchanges as required under the Listing Agreement.

Notices relating to Annual General Meeting are sent to all the members at their registered addresses.

Half-yearly declaration of financial performance for the half year ended 30th September, 2003 was not sent to the households of all shareholders of the Company but were published in the press as required.

#### **Shareholder information**

A detailed supplement containing information of importance to shareholders is attached to the Annual Report in section **SHAREHOLDER INFORMATION**.