

ENERGY PRODUCTS

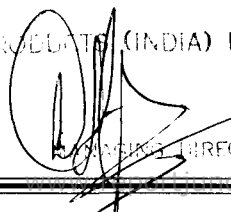
(INDIA) LIMITED

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8th ANNUAL REPORT

2002 - 2003

ENERGY PRODUCTS (INDIA) LTD.


MANAGING DIRECTOR

8th ANNUAL GENERAL MEETING

BOARD OF DIRECTORS :

Shri KAILASH SHINGADIA - M. Director

Shri JAYANT P. SHAH - Director

Shri S. AMITKUMAR - Director

Shri KIRTI D. KOTHARI - Director

BANKERS :

THE GUJARAT INDUSTRIAL

CO-OP. BANK LTD.

THE KAPOL CO-OP. BANK LTD.

AUDITORS :

N.H. TANK & CO.

Chartered Accountants,

Ashoka Chambers, Mithakhali Six Roads,

Ellisbridge, Ahmedabad : 380 006.

REGISTERED OFFICE :

A-1/1402 GIDC ESTATE,

ANKLESHWAR : 393 002,

DIST: BHARUCH,

GUJARAT.

NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of **ENERGY PRODUCTS (INDIA) LIMITED** will be held at the Registered Office of the Company at A-1/1402 GIDC ESTATE, ANKLESHWAR:- 393 002, DIST: BHARUCH, GUJARAT, on September 30, 2003 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Annual Accounts for the year ended March 31, 2003 consisting of Balance Sheet as at March 31, 2003 and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Shri Amit Shah who retire by rotation and being eligible, for re-appointment. However, Mr. Amit Shah has not opted for the re-appointment.
3. To appoint Auditors' and to fix their remuneration;

SPECIAL BUSINESS :

4. To consider and, if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION. "RESOLVED THAT pursuant to section 198, 269 and 309 and other applicable provision, if any, of the company's act 1956 read with schedule XIII thereto as amended upto date and all guide lines for managerial remunerations issued by the Central Government from time to time and subject to share holders concerned and such other approval as there is necessary Shri. Kailash Shingadia be and is hereby appointed as Managing Director for the period of three years with effect from 1st Aug. 03 upon the terms and conditions including the terms of remuneration set out in the draft agreement submitted to the meeting by the Chairman thereof, which agreement is specifically sanctioned with liberty to the Board of Directors to enhance, alter and vary the terms and conditions of the said agreement in such manner, revise the remuneration from time to time within the limits provided for in the said schedule XIII or any amendments thereof for the time being in force.

RESOLVED for that the Board of Directors of the company be and hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to the above resolution".

5. To consider and, if thought fit to pass with or without modification(s) the following resolution as an SPECIAL RESOLUTION. "RESOLVED THAT subject to such contents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI) and pursuant to section 61 and all other applicable provisions of the companies Act, 1956 and guidelines, rules framed by SEBI in this regard, te Board of Directors of the company be and hereby authorised to seek Voluntarily Delisting the Equity Shares of the company listed at the (1) The Vadodara Stock Exchange Ltd. (2) The Ahmedabad Stock Exchange Ltd. at Gujarat and for that matter to apply to Vadodara and Ahmedabad Stock Exchange and/or any other concerned authority(ies) for Voluntary Dilisting of the Equity Shares from the said Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise, with regard to the Voluntary Delisting the Shares, as it may in its absolute descretion deem fit.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its committee or Director(s) or Officers of the Company to do all such acts, deeds, or things as may be necessary, to give effect to this resolution":

For and on behalf of the
Board of Directors

KAILASH SHINGADIA
Director

Place : Ankleshwar
Date : 01.09.2003

REGISTERED OFFICE:

A-1/1402 GIDC ESTATE, ANKLESHWAR : 393 002,
DIST. BHARUCH, GUJARAT.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 23, 2003 to Tuesday, September 30, 2003 (both days inclusive).
4. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday and public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
6. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.
7. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, DIRECTORS' REPORT & AUDITOR'S REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME ON ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
8. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.4 of the notice set out is annexed hereto.
9. Members are requested to bring their copies of the reports at the Annual General Meeting.
10. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith share certificates to the Company.
11. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:

ENERGY PRODUCTS (INDIA) LIMITED, A-1/1402 GIDC ESTATE, ANKLESHWAR : 393 002, DIST : BHARUCH,

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their 8th Annual Report together with the Audited Statements of Accounts of the Company for the year ended March 31, 2003.

During the year under review there has been setback in the business of the company which is mainly due to continuing lack of investments. However, sincere efforts are being made to increase company's activities in coming year and also concentrate other areas which will bring in better volume.

During the year under review the term lending institution The Gujarat Industrial Co-op. Bank Ltd. has served a notice dated 27th March, 03 under section 13 (2) of the Securitisation & Reconstruction of the Financial Assets & Enforcement of Security Interest Act, 2002 [SRES Act 2002] demanding the payment of entire dues within a period of 60 days, failing which the Bank is empowered to take possession of the unit. The mandatory period stipulated in the notice has already expired and till date Bank has not taken the possession of the property. The Board in its meeting held on 30th July, 2003, has authorised Directors to take necessary steps in case Bank takes the possession of your company's property. Board has also authorised Managing Director to arrive to same amicable settlement sort out this matter after Bank has rejected offer of Rs. 38 lacs made by one Mumbai based company as one time settlement. The Board is still hopeful of arriving at same settlement.

FINANCIAL RESULTS :

	<u>2002-03</u>	<u>2001-02</u>
Loss before Depreciation & tax	18,78,634.00	26,54,042.00
Add : Depreciation	12,14,004.00	12,14,004.00
Loss after Depreciation	30,92,638.00	38,68,048.00
Interest & Financial charges	10,98,898.00	16,72,602.00
Loss during the period	1,61,85,354.00	38,68,046.00
Add : Earlier loss carried forward	1,01,95,337.00	03,27,291.00

OPERATIONS & FUTURE PROSPECTS :

Your Directors are pleased to state that even though the operations/marketing of the product couldn't get enough response, the response for the product is encouraging. Company is trying for independent marketing company to take on marketing as well as some other arrangements including job work for others to minimise the cost and smooth functioning. Even diluting equity stake will be considered if required. Company is hopeful of getting some positive results of the ongoing negotiations.

OPPORTUNITIES & THREATS :

The overall market in India is changing significantly. People are preferring Branded products compared to unbranded ones. Even though company couldn't achieve remarkable growth as well as position in the market, all the fresh efforts will bring better results in the future. The company is consistently making all round efforts to upgrade the facility wherever possible with minimum investment. Further in time with the prevailing circumstances the company has also taken various steps towards cost control efforts and also offering the products on job work basis. The company is hopeful of taking advantage of the situation and base on the indication available a complete turnaround would be possible.

However, the competition continues from un-organised sector, can cause a major problem in capturing large volume. In spite of this, in view of the steps thought by the company to overcome the impact of the above aspect, and no new major brands added in the food market the efforts of these threats are minimised.

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Outlook : Overall outlook of food industry is positive and growth can be maintained if the product launch successfully and effectively. This will eventually help to speed up the economic recovery process. Business conditions would become more stable and favourable, and the margins would be eased. Eventhough the situation likely to become very competitive, but since the quality of the product would be a key factor, the company is hopeful of staying a turn around as it is placed very well to meet the challenges. To add strength company may focus to realise more from their existing set up. Products based on Corn or other exclusive product will remain profitable even in long term and company will always focus on such product would even tie up for job work or any other options may come up in future.

Human Resources : The company lays great importance to its human resources as manual operations still play a dominant role in the food industry. The relationship between the company and the employees are very cordial and the company does not have any problems on account of labour unrest.

Risk and Concerns : The government policy on sales tax and excise continues to be one of the major sector and unfair competition may cause major obstacles in achieving targets. The company is looking forward to have a time bound programme to lift the company from necessary trend. As far as the internal factors are concerned the company is taking various measures toward of any unforeseen events that the company may be exposed. The company's maintaining its equipments to avoid breakdowns.

External Control System :

The company has streamlined its internal control procedures as well as mechanisms regularly in line with audit observations. The present system is found to be satisfactory as recorded by the auditors. Board is very much conscious of external control and has taken various measures to counter the same at the appropriate level.

DIRECTORS :

Shri AMIT SHAH retired at the 8th Annual General Meeting and not opted for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT, pursuant to Sec. 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors and selected such accounting policies and applied them consistently and made judgements and estimated 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 or loss of the company for that period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information required under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the Conservation of Energy and Technology Absorption is given by way of Annexure.

Information regarding Foreign Exchange Earnings and Outgo is reported to be NIL for the year under review.

8th Annual Report 2002-2003**AUDITORS :**

M/s. N.H. Tank & Co., Chartered Accountants, Ahmedabad, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as the Statutory Auditors of the Company.

DELISTING OF SHARES :

It has been observed that for last few years there has been no trading of company shares on Vadodara Stock Exchange and Ahmedabad Stock Exchange. The Securities Exchange Board of India had recently issued SEBI (Delisting of Securities) guidelines 2003, as per which it has simplified the procedure of voluntary delisting of securities. The requirement of mandatory listing at regional stock exchange has also been done away with. In view of such situation, the Directors recommend the delisting of Equity Shares of the company from Ahmedabad Stock Exchange and Vadodara Stock Exchange subject to approval of Shareholders.

LISTING OF SHARES :

The Equity shares of the company are listed on Mumbai Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange. The company has not paid the annual listing fees to the above Stock Exchanges within stipulated time.

PARTICULARS OF EMPLOYEES:

The Company has no employees of the categories specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record their sincere appreciation for the devoted and efficient services rendered by employees at all levels. The Directors are also thankful for due co-operation received from the company's Bankers.

For and on behalf of the
Board of Directors

Place : Ankleshwar
Date : 01.09.2003

KAILASH SHINGADIA
CMD

ANNEXURE TO DIRECTOR'S REPORT:

INFORMATION IN TERMS OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY:

Sustained Efforts were directed towards Energy Savings, Reduction in the Use of Power and Other Utilities.

TECHNOLOGY ABSORPTION:

The Company has carried out Research and Development in the form of Process Innovation and Development of New Products.

For and on behalf of the
Board of Directors

Place : Ankleshwar
Date : 01.09.2003

KAILASH SHINGADIA
CMD

Report on Corporate Governance

(Annexure to Directors Report)

1. Corporate Governance.

- A Corporate Governance requirements as contained in Clause 49 of the Listing Agreement with the Stock Exchanges as per directives of the Securities & Exchange Board of India were to be implemented by the Company by 31st March, 2003. The information covered under the Corporate Governance are comprehensive and valuable tool for the investors.
- B Company Philosophy on Corporate Governance: The company has, in the past, provided the shareholders all the material information of their interest. The Company has always endeavoured to seek greater and active participation by the shareholders at the General meetings. The management had always considered the general meetings as an opportunity to interact with the shareholders.

2 Board of Directors

The composition of the Board of Directors are as under :-

Name of the Director	Category	Date of Appointment
Mr. Shah Amit kumar	Exe. Director	01.08.95
Mr. J.P. Shah	Exe. Director	28.07.95
Mr. Kailash Singadia	Exe. Director	17.08.02
Mr. Kirit Kothari	Non-Exe. Director	26.09.95

Board Meetings :

The meetings of the Board of Directors are generally held at the Registered office of the company at Ankeleshwar. Meetings are generally in well in advance. The Board meets at least once in a quarter to review the quarterly performance and the financial results.

Four Board Meetings were held during thear from 1st April, 02 to 31st March, 03 ie. 30th April 02, 31st July 03, 30th Oct. 02 and 31st Jan. 03.

3. Audit Committee :

Brief description of tremns of reference : To review the financial reporting process and financial statements, the accounting policies and practices and to examine accountancy taxation and disclosure aspect of significant transactions.

- Composition, name of members and Chairperson

1. Mr. Kailash Shingadia
2. Mr. Shah Amirkumar
3. Mr. J.P. Shah Director

Meeting and attendance during the year

Date	SA	JP	KS
05.08.02	Yes	No	Yes
28.03.03	Yes	No	Yes

4. Remuneration Committee :

- Composition, name of members and Chairperson

1. Mr. Shah Amirkumar
2. Mr. Kailash Shingadia - Chairman
3. Mr. Kirit Kothari

Remuneration Committee is constituted to consider and approve remuneration to Managerial personnnel :