

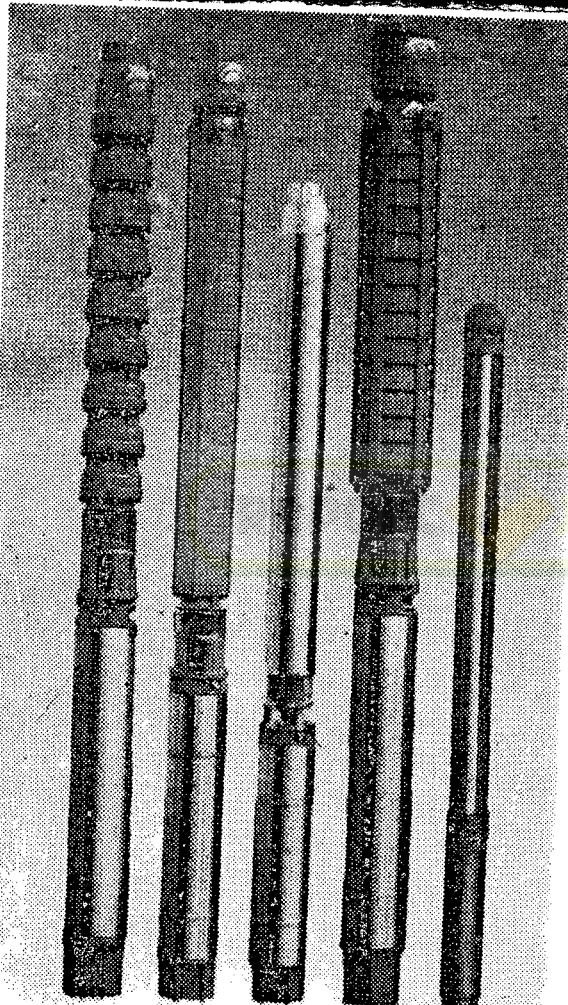
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|-----|----|-----|----|
| MD | | | |
| CS | NA | BKC | NA |
| RO | ✓ | DIY | NA |
| TRA | NA | | ✓ |
| AGM | | | ✓ |
| YE | | | ✓ |

3rd
Annual
REPORT
1998

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SHAKTI PUMPS
(INDIA) LTD.



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SHAKTI PUMPS (INDIA) LIMITED

BOARD OF DIRECTORS

Shri M.L. Patidar
Shri Dinesh Patidar
Shri Sunil Patidar

Managing Director
Whole Time Director
Director

BANKERS

United Western Bank Limited

FINANCIAL INSTITUTIONS

M.P. Financial Corporation

AUDITOR

M/S G.J. Shah & Co.
Chartered Accountants
413 Manas Bhavan
11-R.N.T. Marg,
INDORE - 452 007

CORPORATE ADVISOR

Rajeev Bais & Co.
Company Secretaries
INDORE

REGISTERED OFFICE

Plot No. 1, Sector-A, Pithampur,
Distt. DHAR (M.P.)

ADMINISTRATIVE OFFICE

226 Shastri Market, M.G. Road,
INDORE-452007 (M.P.)

PLANT

Plot No. 1, Sector-A. Pithampur,
Distt. Dhar (M.P.)



SHAKTI PUMPS (INDIA) LIMITED

NOTICE

Notice is hereby given that the 3rd Annual General Meeting of the company will be held on Monday the 28th Day of December 1998 at 2.30 P.M. at Plot. No. 1, Sector-A, Mhow Neemuch Road, Pithampur, Distt. Dhar, to transact the following business :

1. To receive, consider and adopt Audited Balance-Sheet of the company as at 30th June, 1998 and the Profit and Loss Account of the period ended on that date alongwith the directors Report thereon.
2. To declares dividend on Equity shares @ 2% P.a. on perorate basis.
3. To appoint a Director in place of Shri Sunial Patidar who retires by rotation and being eligible offers himself for re-appointment,
4. To consider the re-appointment of M/S G.J. Shah & Co. as the Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Metting and fix their remuneration.

NOTES :

1. A Member entitle to attend and vote is entitle to appoint one or more proxies to attend and vote instead of himself and a proxy need to be a member of the company. Proxies in order to be affective must be received by the company not less than 48 hours before the meeting.
2. The register or members and share transfer books of the company will remain closed from 21-12-98 to 28-12-98 both days inclusive.
3. Member who would like to question on accounts are requested to send their questions to the registered office at least seven days before the date of Annual General Meeting to enable the company to answer the questions satisfactorily.
4. The dividend when declared will be paid to those shareholders whose names would appear in the register or members on 28th Dec. 1998.
5. Members are requested to notify the change, if any, in their address, at the administrative office of the company.
6. Members/proxies should bring the attendance slip sent herewith duly filled- in for attending the meeting.
7. The company has obtained special permission for extension of time for holding Annual General Meeting under section 166 of the companies Act 1956 by the registrar of the Companies, M.P. Gwalier. Accordingly the company has scheduled to hold its Annual General Meeting within 18 months from the last Annual General Meeting.

On behalf of the board of directors
for Shakti Pumps (India) Limited
Manoharlal Patidar
Managing Director

Date 20-11-98

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SHAKTI PUMPS (INDIA) LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS

To,
The Members,

Your Directors have pleasure in presenting the third Annual Report on the business operations of the company and the Audited Financial accounts of the company for the period ended 30th June 1998 :

FINANCIAL RESULTS :

| | |
|-------------------|----------|
| Gross Income | 13848507 |
| Less Depreciation | 3431520 |

Appropriations :-

| | |
|-------------------------------|---------|
| Provision for taxation | 1093700 |
| Transfer to proposed dividend | 1446570 |
| Balance carried to B/s. | 7876717 |

OPERATIONS :

The total Turn over and other Income has amounted to Rs. 3412.08 lacs which has considerably increased as compared to the turnover and total income for the previous year on an annualised basis. Similarly the Operating profit of the company has also increased to Rs. 104.17 lacs for period under review. Thus the company has been able to achieve consistent performance inspite of several unfavourable circumstances such as general economic recession, acute shortage of finance faced by the Industrial sector, unstable political conditions and other natural calamities etc. The performance of the company has been satisfactory.

DIVIDEND :- Your directors are pleased to recommend a dividend @ 2% P.A. on pro rate basis for the period ended 30th June 1998.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO :-

Additional informations as required in terms of the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in report of Board of Directors) Rules 1988 regarding conservation of energy, technology. Absorption and foreign exchange earnings and out go are given in the annexure forming part of this report as an Annexure "A".

PARTICULARS OF EMPLOYEES

As required under Section 217 (2A) of the Companies Act, 1956 and the provisions made thereunder the annexure containing the particulars of employees, who were in receipt of remuneration aggregating Rs. 3,00,000/- or more per annum if employed through the year or Rs. 25,000/- or more per month if employed for part of the year is annexed herewith as an Annexure "B".

INSURANCE

All insurable interests of the company including Inventory, Building, Plant and Machinery and other assets are adequately insured.

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**SHAKTI PUMPS (INDIA) LIMITED****DIRECTORS :**

Mr. Sunil Patidar who retired by rotation at the ensuing Annual General Meeting is eligible for re-election.

AUDITORS :-

Your's Company's auditors M/s G.J. Shah & Co., Chartered Accountants retires at the ensuing Annual General Meeting and being eligible have given their consent to act as the Auditors of the company. Members are requested to consider their re-appointment as the Auditors of the company for the current year and to fix their remuneration.

EMPLOYEE RELATIONS :-

During the year under review the industrial relation with staff and workmen have remain cordial at all ocations.

ACKNOWLEDGEMENTS :-

We take this opportunity to place on record our appreciation and sense of gratitude for the continuous support extended by the Company's Bankers and the financial Institutions, Central and State Government departments, Customers, Suppliers, Contractors. We also convey our heartfelt thanks to the Shareholders for their unfailing trust, confidence and encouragement. We are also grateful to the employees of the company at all levels for their untiring hard work, sicerety and loyalty which contributed immensely towards the growth of the company.

ate : 20-11-98

ace : Pithampur

**For and On Behalf of the Board
For Shakti Pumps (India) Ltd.**

**M.L. Patidar
Chairman & M.D.**

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SHAKTI PUMPS (INDIA) LIMITED

ANNEXURE "A" TO DIRECTORS REPORT

Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988.

A. Conservation of Energy

i. Energy Conservation Measure taken :

Raw materials preparation plant to reduce operation Hre. resulting in to saving of pome. Reduction of energy consumption through series of Action such as formation of committee to review energy consumption from time to time by the committee, improving on line availability of equipment through better preventive maintenance practice etc.

ii. Additional investment proposal if any being implemented for re duction of consumption of energy.

Nil

IMPACT OF THE ABOVE MEASURE

With the implementation measures as stated above reasonable saving in energy is expected.

B. TECHNOLOGY ABSORPTION

The company has its own R & D division and the products are manufactured as per the latest technology developed by the company.

C. FOREIGN EXCHANGE EARNING AND OUT GO :

Activlties relating to export, initiative taken to increase exports development of new export markets for products and services and export plans. Though sufficient demand exists in the domestic market which is likely to grow in the coming years and apart from this the company has taken initiative for development of export market. The Directors of company have visited different countries of the world for the purpose of exploring the opportunities in the Overseas Market and the company is about to perform reasonably fine tune of Export Orders very soon.

The total expenditure on account of travelling and other expenses is Rs. 4,53,518/-

ANNEXURE "B" TO DIRECTORS REPORT

Particulars of Employee's referred to here in above :

| Name, Age & Qualification | Designation nature of duties | Remuneration (Rs.) | Experience (Year) | Date of Appointment | Last Employment |
|-------------------------------------|------------------------------|--------------------|-------------------|---------------------|-----------------|
| Patider M.L. 60 Matriculation | Managing director | 4,65,000 | 22 | 1-8-95 | Industrialist |

Place : Pithampur
Date : 20-11-98

for and On behalf of the Board
For Shakti Pumps (India) Limited
Manoharlal Patidar
Managing Director



SHAKTI PUMPS (INDIA) LIMITED

AUDITORS REPORT TO THE MEMBERS OF SHAKTI PUMPS (INDIA) LIMITED

We have audited the attached Balance-Sheet of M/S SHAKTI PUMPS (INDIA) LIMITED as on 30th June 1998 and also the Profit and Loss Account of the company for the period ended on that date annexed thereto :-

I. As required by the Manufacturing and other Companies (Auditors Report) order, 1988 issued by the company Law Board in terms of section 227 (4A) of the companies Act 1956 and according to the information and explanation given to us and on the basis of such checks as we considered appropriate we report that :-

- I. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management has carried out a physical verification of most of its fixed assets during the year. In our opinion the frequency of verification is adequate having regards to the size of the company and nature of its fixed assets and no material discrepancies have been noticed on such verification.
- II. None of the fixed assets have been revalued during the year.
- III. The stock of finished goods, stores, spare parts and raw material excluding stocks lying with third parties have been physically verified by the management during the year at reasonable interval.
- IV. In our opinion procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- V. The discrepancies noticed on verification of stocks by the management as compared to book of records were not material and these have been properly dealt with the books of accounts.
- VI. On the basis of our examination of stock records, we are of the opinion that valuation of stock is fair and proper in accordance with generally accepted accounting principles.
- VII. During the year the company has not taken any unsecured loans under section 370 of the companies Act, 1956
- VIII. The company has not granted unsecured loans under section 370 of the companies Act, 1956.
- IX. The parties including employees to whom loans or advances in the nature of loans have been given by the company are generally repaying the principal amounts as stipulated and are regular in payment of interest wherever applicable.