



SHAKTI PUMPS (INDIA) LIMITED

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4TH ANNUAL REPORT

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For Shakti Pumps (India) Ltd.
[Signature]

Authorised Signatory

(1)



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

Saklecha & Gandhi
105, Man Heritage,
6/2, South Tokuganj,
Near High Court,
INDORE - 452 001

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. Mhow-Neemuch Road
Pithampur Distt. DHAR (M.P.)

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SHAKTI PUMPS (INDIA) LIMITED

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Company will be held on Friday 31st day of December 1999 on 2.30 P.M. at Plot. No. 1, Sector-A, Mhow Neemuch Road, Pithampur, Distt. Dhar (M.P.) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance-Sheet of the company as at 30th June, 1999 and the Profit and Loss Account for the year ended on that date alongwith the Directors Report thereon.
2. To appoint a director in place of Shri Dinesh Patidar who retire by rotation and being eligible offers himself for re-appointment.
3. To appoint the auditor to hold office from the conclusion of this AGM untill the conclusion of next AGM 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 31-12-99 to 03-01-2000 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. Members are requested to notify the change, if any, in their address, at the administrative office of the company.
5. Members/proxies should bring the attendance slip sent here with duly filled- in for attending the meeting.

On behalf of the board of directors
For : Shakti Pumps (India) Limited
M.L. Patidar
 Managing Director

Date 18-11-99

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SHAKTI PUMPS (INDIA) LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS

To,
The Members,

Your Directors have pleasure in presenting the Forth Annual Report on the business operations of the company and the Audited Financial accounts of the company for the year ended 30th June 1999 :

FINANCIAL RESULTS :

Gross Income	13463225
Less Depreciation	2459044

Appropriations :-

Provision for taxation	1272000
Balance Carried to B/s.	9732181

OPERATIONS :

The total turnover has amounted to Rs. 3469.26 lacs which has considerably increased as compared to the turnover for the previous year. Similarly the operating profit of the company has also increased to Rs. 110.04 lacs as compared to the previous year. 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. The Company has been successful in obtaining an ISO 9002 certification through its consistent & disciplined efforts.

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/- of more per annum if employed through the year or Rs. 25,000/- or more per month in case 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 others are adequately insured.

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

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

DIRECTORS :

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

AUDITORS :-

Your's Company's Auditors M/s Saklecha & Gandhi 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 locations.

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, sincerity and loyalty which contributed immensely towards the growth of the company.

Date : 18-11-99

Place : 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

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

A. CONSERVATION OF ENERGY :

- | | | |
|--|--|-------------|
| I. a) ELECTRICITY :- | | |
| Purchase Unit | | Nos. 139056 |
| Total Amount | | Rs. 585426 |
| Rate/Unit | | Rs. 4.21 |
| b) OWN GENERATION FROM DIESEL GENERATOR | | |
| Unit | | Nos. 89745 |
| Total Amount | | Rs. 347314 |
| Unit per Ltr. Diesel | | Nos. 3.75 |
| Cost/Unit | | Rs. 3.20 |
| c) CONSUMPTION PER UNIT OF PRODUCTION | | |
| a) Production | | Nos. 28735 |
| Per Unit | | Rs. 32.46 |

B. TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out the company : No R & D Carried Out
2. Benefits derived as result above R & D : Nil
3. Future plan of action : No plan
4. Expenditure on R & D : Nil
 - a) Capital Nature
 - b) Recurring
 - c) Total
 - d) Total R & D expenditure as percentage of total turnover
5. Efforts in brief made towards technology absorption, adaptation and innovation : No
6. Benefits derived as a result of the above effort etc. product improvement, cost reduction, product development and import substitution etc. : Nil
7. In case of imported technology (import during the last 5 year reckoned from the beginning of the financial year) : Nil
 - a) Technology
 - b) Year of Import
 - c) if you fully absorbed areas where this has not taken place reasons therefore and future plan of action.

C. FOREIGN EXCHANGE EARNING AND OUT GO :

Apart from the domestic demand which exists in the market for the products of the company, the management has explored the opportunities of overseas market and the directors of the company has visited different countries of the world and as a result the company has received sufficient orders and the same has been duly executed to the tune of Rs. 105.42 lacs.

The total expenditure on account of travelling and other expenses is Rs. 400468/-.

ANNEXURE "B" TO DIRECTORS REPORT

Particulars of Employee's referred to here in above :

Name, Age & Qualification	Designation nature of duty	Remuneration (Rs.)	Experience (Year)	Date of Appointment	Last Employment
M. L. Patidar 61 Matriculation	Managing Director	3,60,000	23	01-08-95	Industrial
Dinesh Patidar 37 Graduate	Whole Time Director	3,00,000	16	01-08-95	Industrial

Date : 18-11-99
Place : Pithampur

For and on behalf of the Board
M.L. Patidar
Managing Director

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SHAKTI PUMPS (INDIA) LIMITED

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

We have audited the attached Balance-Sheet of SHAKTI PUMPS (INDIA) LIMITED as on 30th June 1999 and also the Profit and Loss Account of the company for the year 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 loan from companies, firms or other parties as listed in the register under section 301 or from companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956 except loan taken from directors and their friends & relatives. In our opinion the terms & conditions of the said loan are not prima facie prejudicial to the interest of the company.
 - 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.