

8th
ANNUAL REPORT
2002 - 2003

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SHAKTI PUMPS
(INDIA) LTD.

Shakti Pumps (India) Ltd.

Chandni
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SHAKTI PUMPS (INDIA) LTD.

BOARD OF DIRECTORS

Shri M. L. Patidar	:	Managing Director
Shri Dinesh Patidar	:	Whole Time Director
Shri Sunil Patidar	:	Director
Shri Nitin Sahastrabudhe	:	Director
Shri B. R. Patidar	:	Director
Shri Ramesh Patidar	:	Director

AUDITORS

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

COMPANY SECRETARY

Sanjay Bindal,
21, Ambar Building,
M.G. Road, Indore

BANKERS

United Western Bank Limited
State Bank of Indore

FINANCIAL INSTITUTIONS

M. P. Financial Corporation

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

226, Shastri Market, M. G. Road,
INDORE - 452 007 (M. P.)

PLANT

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

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of **Shakti Pumps India Limited** will be held on Tuesday, 30th December, 2003 at 2 P. M. at Plot No. 1, Sector - A Mhow Neemuch Road, Pithampur Dhar (M. P.) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 2003 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Dinesh Patidar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next AGM and at a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions.

4. As ordinary resolution

RESOLVED THAT Mr. Nitin Sahastrabudhe whose term of office as an Additional Director of the Company expires at this annual general meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, form a member proposing the candidature of Mr. Nitin sahastrabudhe for the office of director be and is hereby appointed as director of the Company whose period of office will be liable to retire by rotation.

5. As ordinary resolution

RESOLVED THAT Mr. B. R. Patidar whose term of office as an Additional Director of the Company expires at this annual general meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, form a member proposing the candidature of Mr. B. R. Patidar for the office of director be and is hereby appointed a Director of the Company whose period of office will be liable to retire by rotation.

6. As ordinary resolution

RESOLVED THAT Mr. Ramesh Patidar whose term of office as an Additional Director of the Company expires at this annual general meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, form a member proposing the candidature of Mr. Ramesh Patidar for the office of director be and is hereby appointed a Director of the Company whose period of office will be liable to retire by rotation.

ANNEXURE TO THE NOTICE**Pursuant to Section 173(2) of the Companies Act, 1956**

Brief resume and other information in respect of the Directors being appointed/reappointed at the Annual General Meeting as required under Clause 49(vi) of the Listing Agreement with the Stock Exchange is given hereunder :

ITEM NO. 4

Mr. Nitin sahastrabudhe is energetic and experienced person. He has experience of more than 10 years in various discipline of industrial environment. The company will be benefited with his long experience.

In view of the requirements of Corporate Governance practices, it is mandatory for the appointment of independent non-exective directors on the Board. Accordingly the Board is being restructured and therefore the appointment of Mr. Nitin Sahastrabudhe is proposed hence this resolution.

Presently he is not holding directorship or membership in any committee in any other company.

None of the directors is interested or concerned in the above resolution.

SHAKTI PUMPS (INDIA) LTD.**Annual Report****ITEM NO. 5**

Mr. B. R. Patidar is an also an enthusiastic, energetic and experienced professional. He is a C. A. Finalist has got reasonably fine exposure in the field of finance, accounts, taxation and investment.

In view of the requirements of Corporate Governance practices, it is mandatory for the appointment of independent non-executive directors on the Board. Accordingly the Board is being restructured and therefore the appointment of Mr. B. R. Patidar is proposed hence this resolution.

Presently he is not holding directorship or membership in any committee in any other company.

None of the directors is interested or concerned in the above resolution.

ITEM NO. 6

Mr. Ramesh Patidar is a young, dynamic and professionally qualified person. He is an M.B.A. and having vast experience of Export matters and certainly by his appointment company will be benefited.

In view of the requirements of Corporate Governance practices, it is mandatory for the appointment of independent non-executive directors on the Board. Accordingly the Board is being restructured and therefore the appointment of Mr. Ramesh Patidar is proposed hence this resolution.

Presently he is not holding directorship or membership in any committee in any other company.

None of the directors is interested or concerned in the above resolution.

On the behalf of the Board of Directors

For : Shakti Pumps (India) Limited

Sd/-

M. L. Patidar

Managing Director

NOTES :

1. A Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Documents referred to in the accompanying notice are open for inspection at the Registered office of the Company during office hours on all working days except Sundays and Holidays between 11.00 and 1.00 p.m. upto the day of Annual General Meeting.
3. The register of members and share transfer books of the company will remain closed from 23-12-03 to 30-12-03 both days inclusive.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the company to keep the information ready.
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 here with duly filled-up for attending the meeting.
7. Since the shares of your Company have come under the compulsory Dematerialisation as per the requirements of SEBI, henceforth all the members are requested to get their shares dematerialised at the earliest.
8. During the year the company has changed its Registrar and Share Transfer Agents from the In Time Spectrum Registry Pvt. Ltd. Mumbai to Adroit Corporate Services Pvt. Ltd. Mumbai. Members may also correspond at the following address for share related matters etc :-

Addroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka, Mumbai-400059

On behalf of the board of directors

For : Shakti Pumps (India) Limited

Sd/-

M. L. Patidar

Managing Director

SHAKTI PUMPS (INDIA) LTD.**Annual Report****DIRECTORS REPORT TO THE SHAREHOLDERS**

To,
The Members,

Your Directors have pleasure in presenting the 8th Annual Report on the business operations of the Company and the Audited Financial Accounts of the Company for the year ended 30th June 2003.

FINANCIAL RESULTS :

Sales and Other Income	Rs. 4900.85 Lacs
Profit before Tax	Rs. 158.75 Lacs
Provision for Taxation	Rs. 71.35 Lacs
Net Profit for the year	Rs. 87.39 Lacs

YEAR IN RETROSPECT :

Your Company has maintained satisfactory progress during the year. Gross sales for the year rose to Rs. 4748.17 Lacs, an increase of 14.35 % over the previous year. Gross Profit of the Company has also been increased to Rs. 158.75 Lacs (Previous Year Rs. 144.09 Lacs).

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

During the year the company had no employee drawing remuneration equal to or more than the limits prescribed under the provisions of section 217 (2A) of the companies Act, 1956 read with Companies (particulars of employees) Rules, 1975.

INSURANCE

All insurable interests of the Company including Inventory, Building, Plant and Machinery and others are adequately insured.

FUTURE PLAN AND OUT LOOK

The Company is moving ahead for expansion of its activities as per the policy decisions of the company. Of courses the Stainless Steel Pumps are well acceptable in international market as well as domestic market because of awareness of the people and Shakti Pumps (India) Limited is increasing its exports every year, But now the Indian People are also aware because of availability of electricity and increase in cost of electricity.

DIRECTORS

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

DIRECTOR'S RESPONSIBILITY STATEMENT

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The directors had selected such accounting policies and applied and estimates that are reasonable and prudent so as to arrive to a true and fair view of the state of affairs of the company at the end financial year and of the profit or loss of the company for that period.
- (iii) 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) The directors had prepared the annual accounts on a going concern basis.

AUDITORS :

M/s Saklecha & Gandhi, Chartered Accountants, the Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and are recommended for reappointment. Your Company has also received a certificate form M/s Saklecha & Gandhi Chartered Accountants, to the effect that the appointment, if made, would be within the prescribed limits u/s 224 (1) of the Companies Act, 1956.

SHAKTI PUMPS (INDIA) LTD.**Annual Report****CORPORATE GOVERNANCE :**

The Company has decided to implement the Corporate Governance clause as required under Clause 49 of Listing Agreement as per Companies Act, 1956 which is effective from Financial Year 2002 - 2003. A separate write up is given herewith for corporate Governance forming part of the Directors Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from shareholders, bankers, Customers, Financial Institutions, Contractor and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, and staff, resulting in the successful performance during the year.

For and on Behalf of the Board

Place : Pithampur
Date : 03-10-2003

For : Shakti Pumps (India) Limited
Sd/-
M. L. Patidar
Managing Director

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

A. CONSERVATION OF ENERGY :

a)	ELECTRICITY :-		
	Purchase Unit	Nos.	255830
	Total Amount	Rs.	1335603.00
	Rate/Unit	Rs.	5.22
b)	OWN GENERATION FROM DIESEL GENERATOR		
	Unit	Nos.	2460
	Total Amount	Rs.	25254.00
	Unit per Ltr. Diesel	Nos.	0.09
	Cost/Unit	Rs.	5.84
c)	CONSUMPTION PER UNIT OF PRODUCTION		
	Production	Nos.	33617
	Per Unit	Rs.	40.48

B. TECHNOLOGY ABSORPTION

The Company has developed and adopted the latest technology in its manufacturing process. The company has an in House system of research and development. Your Company has not incurred Capital Expenditure relating to research and development and not imported any technology.

C. FOREIGN EXCHANGE EARNING AND OUT GO :

Foreign Exchange Earned :	785.99 Lacs
Expenditure in Foreign Currency :	6.34 Lacs

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

Place : Pithampur
Date : 03-10-2003

AUDITORS CERTIFICATE**Under Clause 49 of the listing agreement with the Stock Exchanges**

We have examined the compliance of conditions of Corporate Governance by M/s. Shakti Pumps (I) Ltd., for the year ended 30th June 2003, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (S).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there-of adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as mentioned in the above mentioned listing agreement.

We state that no investor grievance is pending for period of exceeding six months against the company as per the efficiency or effectiveness with which the management has conducted the affairs of the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Saklecha & Gandhi
Chartered Accountants

Place : Indore
Date : 03-10-2003

Sd/-
(Vinay Gandhi)
Partner

Annexure C**CORPORATE GOVERNANCE****1. Company's Philosophy on code of corporate Governance**

Corporate Governance practices is set of policies, principles, regulations and procedures. Shakti Pumps (I) Ltd. is committed to good corporate governance practices,. Over the years the company has been disclosing information concerning the performance and future prospects of the company in its Directors Report.

During 2002-2003 the company has put in its best efforts to comply with the corporate governance practices and disclosures along with the statutory and regulatory requirements of the Companies Act, 1956, Securities and Exchange Board of India Act 1992, together with the rules and regulations framed there under and the provisions of the listing agreement and all other applicable laws. The company's corporate governance policies and practices in accordance with the provisions of clause 49 of the listing agreement are as follows :-

2. Board of Directors
a. Composition of the Board :-

The board of directors of Shakti Pumps (I) Ltd., consist of Six Directors out of which three Directors are non-executive Directors. Three Director of the company are independent directors who have no business and/or professionals relationship with the company.