

**ANNUAL REPORT**

**2003 - 2004**

**SHAKTI PUMPS (INDIA) LTD.**



#### BOARD OF DIRECTORS

Shri M. L. Patidar	:	Managing Director
Shri Dinesh Patidar	:	Whole Time Director
Shri Sunil Patidar	:	Director
Ramesh Patidar	:	Non Executive Director
B. R. Patidar	:	Non Executive Director

#### AUDITORS

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

#### COMPANY SECRETARY

Ms. Nitisha Soni

#### CORPORATE ADVISOR

Rajeev Bajaj & Co.  
Company Secretaries

#### BANKERS

State Bank of Indore  
State Bank of India

#### 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 is hereby given that the 9th Annual General Meeting of the Members of Shakti Pumps India Limited Thursday, 30th December, 2004 at 2.30 P. M. at Plot No. 1, Sector - A Mhow Neeruch Road, Pithampur Dhar (M. P.) transact the following business :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company **as at 30th June, 2004** 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 Sunil Patidar, who retires by rotation and being eligible, offers himself for re-appointment.**
3. To **appoint the Auditors and to fix their remuneration.**

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 23-12-2004 to 30-12-2004 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 securities 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. M/s. Adroit Corporate Services Pvt. Ltd. Mumbai are acting as Registrar and Share Transfer Agents at the company. Hence the members may directly interact with regard to the share transfer and other matters at the following address :

**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**

**Registered office :  
Plot No. 1 Sector A  
Pithampur Distt. Dhar  
Date : 24.10.2004**



SHAKTI PUMPS (INDIA) LTD.

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## DIRECTORS REPORT TO THE SHAREHOLDERS

To,  
The Members,

Your Directors have pleasure in presenting the 9th Annual Report on the business operations of the Company and the Audited Financial Accounts of the Company for the year ended 30th June 2004.

### OPERATIONAL PERFORMANCE :

	Year ended 30.06.2004	Year ended 30.06.2003
Sales and Other Income	4951.46	4900.85
Profit before Intt. & Depreciation	435.75	324.75
Interest & Financial Charges	255.08	185.07
Depreciation	61.17	52.31
Net Profit for the year	119.5	87.37

(1) Although, the sales of the company for the year under review are remained constant as previous year into due to enexpected hike in price of raw material, more particularly in the price of stainless steel. However the company has sucessfully aciheved and reoported export sales of Rs. 1433.65 lacs in comparision of the previous year export sales of Rs. 943.64 lacs Ultimately the profitability of the company is improved and satisfactory due to increase in export sales by 52% from last year.

### 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.

### DIRECTORS

Mr. Sunil 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 Associates, Chartered Accountants, as 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 Associates, 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.



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**CORPORATE GOVERNANCE :**

Pursuant to clause 49 to the Listing Agreement with the Stock Exchanges, management discussion and analysis, Corporate Governance report and auditors certificate regarding compliance of the conditions Corporate Governance are made a part of this Annual Report.

**ACKNOWLEDGEMENTS**

The Directors wish to thank the customers, Dealers, Bankers, Financial Institutions, Government Authorities, Share Holders for their continued support they also place on record appreciation of the hard work put in by the employees at all levels during the period under report.

For and on Behalf of the Board of Directors

For : Shakti Pumps (India) Limited  
Sd/-

M. L. Patidar  
Managing Director

Place : Pithampur  
Date : 24-10-2004

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988.****A. CONSERVATION OF ENERGY :****a) ELECTRICITY :-**

Purchase Unit	Nos.	236372
Total Amount	Rs.	1245681
Rate/Unit	Rs.	5.27

**b) OWN GENERATION FROM DIESEL GENERATOR**

Purchase Unit	Nos.	4802
Total Amount	Rs.	27521
Rate/Unit	Nos.	5.73

**c) CONSUMPTION PER UNIT OF PRODUCTION**

Production	Nos.	28425
Per Unit	Rs.	43.99

**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 not incurred has Capital Expenditure relating to research and development and not imported any technology.

**C. FOREIGN EXCHANGE EARNING AND OUT GO :**

Foreign Exchange Earned :	Rs.	1207.64 Lacs
Expenditure in Foreign Currency :	Rs.	14.68 Lacs

On behalf of the board of directors  
For : Shakti Pumps (India) Limited  
Sd/-

M. L. Patidar  
Managing Director

Place : Pithampur  
Date : 24.10.2004

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

Corporate Governance is an integral part of values, ethics and the best business followed by the company. The core value of the company are :-

- \* Caring for people
- \* Integrity including intellectual honesty, fairness and ethics.
- \* Commitment to excellence and customer satisfaction.

The company has in place a Code of Corporate ethics and conduct reiterating its commitment in interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

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

During the year under review, 16 meeting of the Board were held and the attendance at these meeting is given below:-

Sr. No.	Name of Director	Category	No. of Board Meeting held	No. of Board Meeting Attended	Attended last AGM
1.	Manoharlal Patidar	Chairman & M. Director	16	16	YES
2.	Dinesh Patidar	Executive Director	16	16	YES
3.	Sunil Patidar	Director	16	16	YES
4.	Ramesh Patidar	Non-Executive Director	16	16	YES
5.	B. R. Patidar	Non-Executive Director	16	14	YES
6.	Nitin Sahastrabudhe		16	13	YES

**3. Share Transfer & Shareholders Grievances Committee :**

The Board of directors has constituted a Share Transfer and Shareholders Grievances Committee comprising of Mr. Sunil Patidar, Mr. Vimal Patni & Mr. Suryapal Yadav as chairman of the committee. The committee approves and monitors transfers, transmissions, splits and other related works, investigates and directs redressal of shareholders grievances. Share transfer and other related work, investigates and directs redressal of shareholders grievances.

**4. Remuneration Paid to the Directors :**

The present Managing director Mr. Manoharlal Patidar is being paid a sum of Rs. 35,000/- P. M. Dinesh Patidar (Executive Director) Rs. 45,000/- P. M. and Sunil Patidar Rs. 30,000/- P. M. as salary. No other benefits and perquisites apart from salary is payable to them. This salary is in accordance with Section 269 (2) and Schedule XIII of the company Act 1956

**5. General Body Meetings**

The last three Annual General Meeting were held as under :-

<u>Financial Year</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
2000-2001	31.12.2001	2.00 P.M.	Registered Office
2001-2002	30.12.2002	1.30 P.M.	Registered Office
2002-2003	30.12.2003	2.00 P.M.	Registered Office



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## 6. Management Discussion and Analysis :

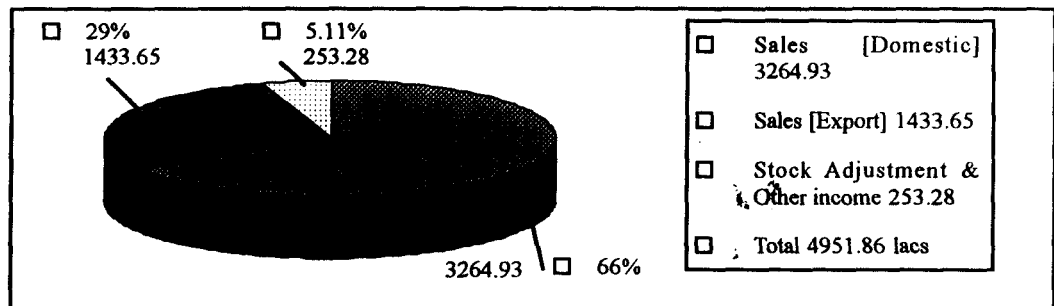
### a) Industry Structure and Development

The industry is registering a good growth due to government policy decisions for pump manufacturing industries taken up for the products.

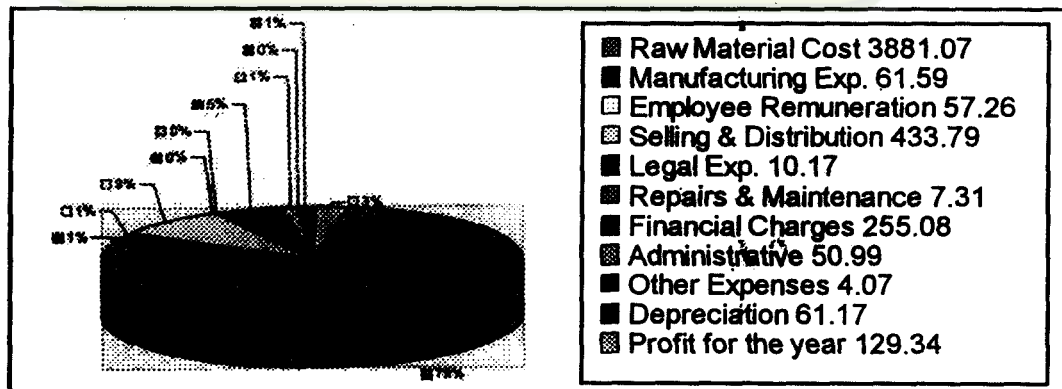
### b) Review of Operations

Operations of the company are satisfactory and more particularly described in Directors Report.

### a) Graph Showing Income for the Year 2003-2004



### b) Graph Showing Expenditure for the Year 2003-2004



### c) Future plans & Outlook

The company is moving ahead for expansion of its activities as per the policy decisions of the company such as automization of operations it is by adding a new computerised machines and progressive tools. To add a new product it is proposed manufacture of pressure and pumps, swpage pumps etc.

### d) Activities

In the year 2003 the Company has also participated in various international trade fares such as -

- (1) EMIA trade fare in Italy.
- (2) Pumps & Systems Thailand.