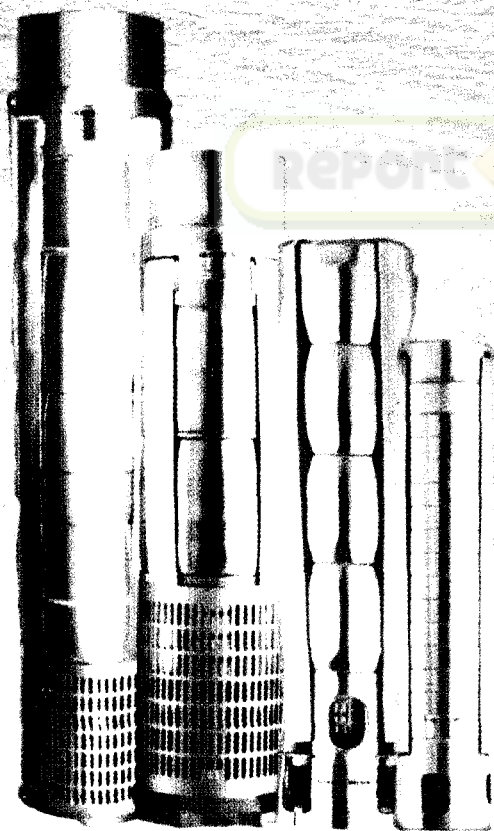




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10th

**ANNUAL REPORT
2004-2005**

SHAKTI PUMPS (INDIA) LTD.



SHAKTI PUMPS (INDIA) LIMITED

BOARD OF DIRECTORS

MANOHAR LAL PATIDAR	:	Managing Director
DINESH PATIDAR	:	Whole Time Director
SUNIL PATIDAR	:	Whole Time Director
S.S. RAGHUWANSHI	:	Additional Director
LALIT GARG	:	Additional Director
P. L. NENE	:	Additional Director
RAMESH PATIDAR (Up to 1 st Sept. 05)	:	Non Executive Director
B.R. PATIDAR (Up to 1 st Sept. 05)	:	Non Executive Director

COMPANY SECRETARY

Sanjay Bindal

AUDITORS

M/s. Saklecha & Gandhi
105, Man Heritage
6/2 South Tukoganj
Near High Court Indore, 452001

CORPORATE ADVISOR

M/s M. Maheshwari & Associates
Company Secretaries

REGISTERED OFFICE & WORKS

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

BANKERS

State Bank of Indore
State Bank Of India

REGISTRAR & SHARE TRANSFER AGENT

M/s Adroit Corporate Services Pvt. Ltd.
19, Jafarbhoy Industrial Estate, 1st Floor
Makwana Road, Marol Naka,
Andheri (E) MUMBAI

ISIN (DEMAT) NO:INE 908D01010

BSE Scrip Code: 531431

Website : www.shaktipumps.com



NOTICE

Notice is hereby given that the 10th Annual General Meeting of SHAKTI PUMPS (INDIA) LIMITED will be held on Friday 30th December 2005 at 12.30 P.M. at the Registered Office of the Company, at Plot no. 1 Sector A Mhow Neemuch Road Pithampur Distt. Dhar (M.P.) to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June 2005 and the Profit & Loss Account for the year ended on that date along with the Report of Directors and Auditors thereon.
2. To elect Director in place of Shri Dinesh Patidar, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

AS SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an "**Ordinary Resolution**":

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. S.S. Raghuwanshi an Additional director of the company who holds office up to the date of this Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of director, be and is hereby appointed as a director of the company whose period of office will be liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an "**Ordinary Resolution**":

RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Lalit Garg an Additional director of the company who holds office up to the date of this Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of director be and is hereby appointed as a director of the company whose period of office will be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an "**Ordinary Resolution**":

RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr.P.L. Nene an Additional director of the company who holds office up to the date of this Annual General Meeting, as per provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of director be and is hereby appointed as a director of the company whose period of office will be liable to retire by rotation."

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a "**Special Resolution**":-

"RESOLVED THAT subject to the provisions of Section 198,269,309, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approval as may be necessary, consent of the company be and is hereby accorded to the reappointment of Mr. M.L. Patidar, as the Managing Director of the company for a period of five years with effect from 1st August 2005, and be paid a gross remuneration of Rs.60000/- per month."



" FURTHER RESOLVED THAT even if in any financial year, the Company has no profits or its profits are inadequate Mr. M.L. Patidar shall be paid the remuneration aforesaid as minimum remuneration."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required to give effect to the aforesaid Resolutions.

8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:-

"RESOLVED THAT subject to the provisions of Section 198,269,309, read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approval as may be necessary, consent of the company be and is hereby accorded to the appointment of Mr. Dinesh Patidar, as the Executive Director of the company for a period of five years with effect from 1st August 2005, and be paid a gross remuneration of Rs.70000/- per month."

" FURTHER RESOLVED THAT even if in any financial year, the Company has no profits or its profits are inadequate Mr. Dinesh. Patidar shall be paid the remuneration aforesaid as minimum remuneration."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required to give effect to the aforesaid Resolutions

9. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a "Special Resolution":-

"RESOLVED THAT subject to the provisions of Section 198,269,309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approval as may be necessary, consent of the company be and is hereby accorded to the appointment of Mr. Sunil Patidar, as the Executive Director of the company for a period of five years with effect from 1st August 2005, and be paid a gross remuneration of Rs.55000/- per month."

" FURTHER RESOLVED THAT even if in any financial year, the Company has no profits or its profits are inadequate Mr. Sunil. Patidar shall be paid the remuneration aforesaid as minimum remuneration."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required to give effect to the aforesaid Resolutions

10. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a "Special Resolution

"RESOLVED THAT the company do hereby authorize the Board of Directors of the company to decide sitting fees to a Director for attending a meeting of the Board or Committee thereof as per Rule no. 10 (B) of the Companies (Central Government's) General Rule and Forms 1956."

For and On behalf of the Board

Place: Pithampur
Date 29.10.2005

Sanjay Bindal
Company Secretary

**Notes**

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of this meeting.
2. Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Book of the Company shall remain closed from Friday 23rd December 2005 to Friday 30th December 2005.(both days inclusive)
4. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
5. Members are requested to bring their copies of Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
6. Members/proxies should bring the Attendance Slip sent herewith, duly filled, for attending the meeting
7. All documents relevant to the business to be transacted at this meeting will be available for inspection at the Registered office of the Company during office hours on all the working days up to the date of Annual General Meeting.
8. Members who hold shares in Electronic form are requested to bring their Depository ID number and client ID number to facilitate easier identification for attendance at the Annual General Meeting.
9. 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.
10. The share holders are hereby informed that all the correspondence in connection with the shares be addressed to the Registrar & Share Transfer Agent M/s Adroit Corporate Services P. Ltd. 19 Jafarbhoy Industrial Estate, 1st Floor Makwana Road, Marol Naka Andheri (E) Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956ITEM NO.4

Mr. S.S. Raghuwanshi, was appointed as an Additional Director by the Board of Directors at their meeting held on 1st September 2005 and his tenure as such expires on the date of forthcoming annual general meeting.

Mr. S.S. Raghuwanshi is an Hons. B.E. (Civil Engg.) From Jabalpur University M.E. (PH) from Calcutta University, acquired Memberships of F.I.E. (I), FIWWA, FIPHE, MIAEM, MIWRS, MIRS. He served as Asstt. Engineer, Executive Engineer, Superintending Engineer, Project Engineer, Chief Engineer in P.H.E. Department of M.P., Chief Technical Examiner (V) M.P. & Engineer in-Chief General Administration Department of M.P. and became the Chairman of M.P. Pollution Control Board. Moreover he held numerous Institutional positions. Presently he has been the Environmental Engineering Consultant. The Board is of opinion that his induction in the Board will strengthen the functioning of the company.

Mr. S.S. Raghuwanshi does not hold any share in your company as on the date of notice. Your Board of Directors, recommend his appointment as a director liable to retire by rotation on the Board of the company. Pursuant to the provisions of the Listing Agreement, he will be designated as an Independent Director.

None of the Directors except Mr.S.S. Raghuwanshi is concerned or interested in the above Resolution.

ITEM NO.5

Mr. Lalit Garg, was appointed as an Additional Director by the Board of Directors at their meeting held on 1st September 2005 and his tenure as such expires on the date of forthcoming annual general meeting.

Mr. Lalit Garg is a Practicing Chartered Accountant and has vast experience in Exim Policy. The Board is of opinion that his induction in the Board will strengthen the functioning of the company.

Mr. Lalit Garg does not hold any share in your company as on the date of notice. Your Board of Directors, recommend his appointment as a director liable to retire by rotation on the Board of the company. Pursuant to the provisions of the Listing Agreement, he will be designated as an Independent Director.

None of the Directors except Mr. Lalit Garg is concerned or interested in the above Resolution

ITEM NO.6

Mr. P.L. Nene, was appointed as an Additional Director by the Board of Directors at their meeting held on 29th October 2005 and his tenure as such expires on the date of forthcoming annual general meeting.

Mr. P.L.Nene acquired B.S:C (Engg.), FIE LMIMA, he had been considered as technical expert he served as the Chairman of M.P. Electricity Board, has vast experience presently he is a renowned consultant and Director of Jvotsna Engineers & Consultants Pvt. Ltd Indore. The Board is of opinion that his induction in the Board will strengthen the functioning of the company.

Mr. P.L.Nene does not hold any share in your company as on the date of notice. Your Board of Directors, recommend his appointment as a director liable to retire by rotation on the Board of the company. Pursuant to the provisions of the Listing Agreement, he will be designated as an Independent Director

None of the Directors except Mr. P.L. Nene is concerned or interested in the above Resolution

ITEM NO.7

The period of appointment of Mr. M.L.Patidar (Mr.Patidar) as Managing Director of the company expired on 30th July 2005 by effluxion of time. Having regard to the long association with the company and valuable services rendered by him to it the Board of Directors of the company (the Board) considered that it would be advisable for the company to maintain the continuity of the present form of management of the company by reappointing Mr. M.L.Patidar as Managing Director for a further term. Accordingly the Board at its meeting held on 29.07.2005 reappointed Mr. M.L. Patidar as Managing Director for a further period, subject to the necessary approvals under the Companies Act, 1956.

Mr. M.L.Patidar (and as his relatives Mr. Dinesh Patidar, and Mr.Sunil Patidar, Directors may be deemed to be concerned or interested in the Resolution.



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ITEM NO.8

Mr. Dinesh Patidar has been the Director of the Company since incorporation of the company. He has been appointed as an Executive Director of the Company for five years w.e.f. 01.08.2005 by the Board of Directors of the company in their meeting held on 29.07.05 on a gross Remuneration of Rs. 70000/- per month. Mr. Dinesh Patidar aged about 43 years has been a renowned businessman and has vast experience. His experience and knowledge has helped the company to a great extent and his appointment as an executive director will contribute to the progress and prosperity of the company.

Mr. Dinesh Patidar (and as his relatives Mr. M.L. Patidar, and Mr.Sunil Patidar Directors) may be deemed to be concerned or interested in the Resolution.

ITEM NO.9

Mr. Sunil Patidar has been the Director of the Company since incorporation of the company. He has been appointed as a Executive Director of the company for five years w.e.f. 01.08.2005 by the Board of Directors of the company in their meeting held on 29.07.2005 on a gross Remuneration of Rs.55000/ per month. Mr. Sunil Patidar aged about 36 years has been a renowned businessman and has vast experience. His experience and knowledge has helped the company to a great extent and his appointment as Executive Director will contribute to the progress and prosperity of the company.

Mr. Sunil.Patidar (and as his relatives Mr. M.L. Patidar, and Mr.Dinesh Patidar Directors) may be deemed to be concerned or interested in the Resolution.

ITEM NO.10

As per the provisions of Article 118 (3) of the Articles of Association of the company, sitting fees to a Director for attending a meeting of the Board or Committee thereof be decided by the Board of Directors or such other as the company in General meeting may from time to time determine. Accordingly the Board of Directors may be authorised to decide the sitting fees as per Notification no. GSR 580 (E) dated 24.07.2003 under rule 10 (B) of the Companies (Central Government's) General Rule and Forms 1956

All the Independent Directors are interested in the resolution.

Regd.Office
Plot No. 1 Sector A
Mhow Neemuch Road Pithampur
Distt. Dhar
Dated:29.10.2005

For and On Behalf Of The Board

Sanjay Bindal
Company Secretary



SHAKTI PUMPS (INDIA) LTD.

Annual Report

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 10th Annual Report of the Company and the Audited Statement of accounts for the year ended 30th June, 2005.

01. FINANCIAL RESULTS

In Rs. lacs

	Financial year ended 30.06.2005	Financial year ended 30.06.2004
a) Sales :	4773.05	4698.58
Export	2454.71	1433.65
General	2318.34	3264.93
b) Profit before Intt. & Depreciation	418.10	445.59
c) Interest & Financial Charges	178.11	255.08
d) Depreciation	66.45	61.17
e) Profit before Tax	173.54	129.34

DIVIDEND

In order to conserve the financial resources your Directors regret their inability to declare any dividend for the Financial Year 2004-2005.

OPERATIONS:

During the year under review the export sales in overseas market increased from Rs. 1433.65 lacs to Rs.2454.71 lacs showing a growth of 71%.

Profit before Tax of the Company for the year under review has also increased from Rs. 129.34 lacs to Rs. 173.54 lacs showing a growth of 34%.

FUTURE OUTLOOK:

The company is moving ahead for expansion of its activities as per the policy decisions of the company. The Stainless Steel submersible Pumps are well acceptable in international market as well as domestic market because of awareness of the people about saving of electricity which is main feature of our product. The company is increasing its exports every year by exploring of new international market for its products. The company is planning to set up a new project in SEZ Pithampur to expand its manufacturing and business activities in near future. Necessary steps such as applications for allotment of land and seeking permission/license from Appropriate Authorities, are being taken.

DIRECTORS

Your Directors had appointed Mr. S.S. Raghuwanshi, Mr.Lalit Garg, and Mr.P.L. Nene as Additional Directors of the Company. They retire at the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and being eligible offers themselves for re-appointment.

Mr. B.R.Patidar and Mr. Ramesh Patidar resigned as Director of the Company. Your Directors place on record their deep appreciation for the guidance received from all the out-going Directors.

Shri Dinesh Patidar retire by rotation and being eligible, offer him self for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures,
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 financial year and of the profit of the company for that period,



SHAKTI PUMPS (INDIA) LTD.

Annual Report

- c. that the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- d. the Directors have prepared the annual accounts on going concern basis.

PUBLIC DEPOSIT

During the year under review, your company neither invited nor accepted any deposit under the provisions of Section 58-A of the Companies Act, 1956 and rules formed there under.

PERSONNEL

No employee is in receipts of remuneration exceeding the limits set out under Section 217 (2A) of the Companies Act, 1956.

INSURANCE

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

AUDITORS

The Auditors Ms. Saklecha & Gandhi, Chartered Accountants, Indore shall cease to hold office at the end of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

CORPORATE GOVERNANCE

Your company has taken adequate steps to ensure that all mandatory provisions of "Corporate Governance" as provided in the Listing Agreement of the Stock Exchanges with the Company's shares are listed are duly complied with.

A Detailed report on Corporate Governance and a certificate from the Auditors of the Company regarding Compliance of conditions of Corporate Governance as required under Clause 49 of the Listing Agreement is attached to this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

INDUSTRIAL RELATIONS

Industrial relations of the Company remained cordial during the year.

ACKNOWLEDGEMENT

We wish to acknowledge the understanding & support and the services of the workers, staff and executives of the Company, which have largely contributed to the efficient operations & management of the operations of the Company.

Your Directors also wish to place on record the valuable co-operation & support received from the Central Government, State Government, Financial Institutions and Banks.

We would also like to express thanks to our Shareholders for their confidence and understanding.

For and On behalf of the Board Of Directors

Regd.Office:

(M. L. PATIDAR)
Chairman

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

Dated: 29.10.2005