SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

EPC INDUSTRIÉ LIMITED

21ST ANNUAL REPORT
2002-2003

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

BOARD OF DIRECTORS	Krishen Lal Khanna, Chairman & Managing Director Prashanto Kumar Mukherjee Vinayak Patil (Additional Director) S. Ganesh (Nominee-Unit Trust of India)
MANAGEMENT TEAM	Krishen Lal Khanna, Chairman & Managing Director Vilas V. Shembekar, President (Business Operations) Kirit M. Mehta, President (Finance)
COMPANY SECRETARY	Kedar P. Phadke
AUDITORS	Mukadam and Associates, Chartered Accountants
BANKERS	State Bank of India SBI Commercial & International Bank Ltd. Bank of India
CORPORATE OFFICE & WORKS	H-109, MIDC, Ambad, Nashik-422 010 Tel.: (0253) 2381081/82/83 Fax: (0253) 2381385 Email: epcind@vsnl.com
REGISTERED OFFICE	201. Delta Hiranandani Gardens, Powai, Mumbai-400 076 Tel.: (022) 2570 6654 (4 lines) Fax: (022) 2570 6653 Email: epc@bom3.vsnl.net.in
BRANCHES	Ahmedabad, Bhopal, Coimbatore, Hubli, Jaipur, Jalgaon, Sangli, Secunderabad
REGISTRARS & TRANSFER AGENTS	IIT Corporate Services Limited Protoprima Chambers, Suren Road, Andheri(East), Mumbai -400 093 Tel. Fax: (022) 26838240/41/5599/1416 Email: iitcsl@bom3.vsnl.net.in

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of the members of **EPC INDUSTRIÉ LIMITED** will be held on Tuesday, the 30th September, 2003 at 4 p.m. at 305–A, Galleria, Hiranandani Gardens, Powai, Mumbai 400 076 to transact the following business :

1. To consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2003 together with the Balance Sheet as at that date and the report of the Auditors thereon.
2. To appoint a Director in place of Prof. Prashanto Kumar Mukherjee who retires by rotation and being eligible offers himself for re-election.
3. To appoint Auditors and fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

   "RESOLVED THAT Mr. Vinayak Patil who was appointed as an Additional Director of the Company with effect from 8th July, 2003 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation".

By Order of the Board

Kedar P. Phadke
Company Secretary

Mumbai, 8th July, 2003

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Transfer Books of the Company will remain closed from 23rd September, 2003 to 30th September, 2003 both days inclusive.
3. The members are requested to:
   a. Consider dematerializing the equity shares held by them;
   b. Check the address printed , for any discrepancy in the address especially that of pin code number. If the pin code number is missing or it is not correct, members are requested to communicate the correct address including correct pin code number to the Company/Depository Participant (DP);
   c. Quote ledger folio number/DP Identity and Client Identity Number in all their correspondence;
   d. Approach the Company for consolidation of folios, if physical shareholdings are under multiple folios;
   e. Get the shares transferred in joint names, if shares are held in single name to avoid inconvenience;
   f. Bring their copy of the Annual Report with them at the Annual General Meeting;
   g. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company Secretary, so as to reach at least seven days before the date of the Meeting, to make the information available at the Meeting, to the best extent possible.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No.4

Mr. Vinayak Patil was appointed as an Additional Director at the meeting of the Board of Directors held on 8th July, 2003. He holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as a Director, liable to retire by rotation.

Notice as required under section 257 of the Companies Act, 1956, together with the requisite deposit has been received from a member proposing the appointment of Mr. Patil as Director of the Company.

Your directors commend the resolution for approval.

None of the Directors except Mr. Patil may be deemed to be concerned or interested in this resolution.

By Order of the Board

Kedar P. Phadke
Company Secretary

Mumbai, 8th July, 2003

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTOR'S REPORT

Your Directors present the twenty first Annual Report and Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

	2002-2003	(Rs. in lakhs) 2001-2002 (8 months)
Turnover	2432	1854
Other Income	102	46
	2534	1900
Profit Before Interest, Depreciation, Amortisation and Tax	65	73
Interest	646	401
Depreciation	142	98
Amortisation	55	43
Profit Before Tax	(769)	(477)
Tax	1	1
Profit After Tax	(770)	(477)
Deficit brought forward	3073	2589
Prior Period Adjustments	12	6
Provision for contingency for Export Obligation	149	—
Interest written back	(290)	—
Deficit carried forward	3715	3073

During the year under review, Company operations were severely constrained due to shortage of working capital. Despite non-optimisation of operations, your Company has been able to earn PBIDTA of Rs. 65 Lakhs, due to business rationalisation measures undertaken in the previous years. The performance is expected to improve during the current year as the bank support for working capital materialises.

REFERENCE TO BIFR

Based on the Techno Economic Evaluation Study and favourable findings by the reputed firms of consultants, State Bank of India in capacity of Operating Agency, finalised and submitted a Debt Restructure Scheme (DRS) to BIFR. While the said scheme was acceptable to the Banks, Institutions holding Secured NCD's asked for improvement by reducing the repayment period. Your Company submitted revised DRS and also an alternate proposal thereto.

While LIC Mutual Fund have conveyed 'in Principle' approval and the same is under active consideration with the other NCD holders. Your Directors are hopeful of obtaining requisite approval very soon and look forward to speedy implementation of DRS.

DIRECTORS

Mrs. I. K. Khanna resigned as Director on 8th July, 2003. The Board places on record its appreciation of the services rendered by Mrs. Khanna during her tenre of Directorship.

Mr. Vinayak Patil was appointed as an Additional Director on 8th July, 2003. He holds office upto the date of the ensuing Annual General Meeting of the Company. Notice has been received from the members of the Company proposing Mr.Patil as candidate for the office of Director of the Company. The directors recommend his appointment.

Though your Director are affected by disqualification prescribed under section 274(1)(g) of the Companies Act, 1956, they are eligible for reappointment as Director in your Company.

Professor Prashanto Kumar Mukherjee is liable to retire by rotation and being eligible, offers himself for reappointment.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance and Management Discussion and Analysis together with a Certificate from the Company's Auditors on Compliance is set out in the Annexure forming part of this report.

AUDITORS & AUDITORS' REPORT

M/s Mukadam & Associates, Chartered Accountants retire at the forthcoming Annual General Meeting. The directors recommend their reappointment as Auditors of the Company upto the conclusion of the next Annual General Meeting.

The observations, qualification and adverse remarks made by the auditors are self explanatory and have been dealt with in the Notes in the Schedule 'Q' forming part of the accounts and need no further clarifications

TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of the Report of the Board of Directors) Rules, 1988 are as follows.

CONSERVATION OF ENERGY

FORM-A

A. POWER AND FUEL CONSUMPTION

		Previous Year (8 months)
1. Electricity Purchased		
(i) Units (Kwh)	22,16,581	14,03,622
(ii) Amount (Rs.)	89,10,168	64,87,543
(iii) Average Rate (Rs./Unit)	4.02	4.62
B. CONSUMPTION (Units/MT Production)	998	943

TECHNOLOGY ABSORPTION

The Company has absorbed related and contemporary technologies in respective product fields. Avenues for future refinement are continuing on ongoing basis.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

FOREIGN EXCHANGE EARNINGS / OUTGO

Your Company has earned a foreign exchange of Rs. 14.49 lakhs (Previous Year Rs. 4.75 lakhs) at F.O.B. price of exports against the outgo of Rs. 21.97 lakhs (Previous Year Rs. 24.09 lakhs).

PARTICULARS OF EMPLOYEES

None of the employees were employed throughout or part of the year whose information pursuant to Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 are to be given in the report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that –

(a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company of the year under review.

(c) the Directors have 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.

(d) the Directors have prepared the annual accounts on a "going concern" basis.

INDUSTRIAL RELATIONS

The industrial relations continue to be cordial at all levels in the organisation during the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep sense of gratitude to the banks, financial institutions, Central and State Government, customers, suppliers, business associates, shareholders and employees for their continued cooperation and support.

For and on behalf of the Board

K L Khanna
Chairman & Managing Director

Mumbai, 8th July, 2003

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE

The Company is engaged in the business of manufacturing and selling of Micro (Drip and Sprinkler) Irrigation Systems and Infrastructure and Industrial Piping made up of plastics.

• **Micro Irrigation System (MIS)**

MIS is used for saving water, enhancing yield and improving quality of the produce.

For sustained agricultural operations, water is one of the basic input. While the overall supply of water is defined and limited, the demand for water has been increasing for drinking, industrial and irrigation usages. Agricultural operations account for more than 70% of the water used. Due to emerging and priority demands like drinking, industry and environment sectors, the water available for agricultural operations is under pressure. To meet future food demands, it is necessary to increase production which will require more water. It is a matter of serious concern that water available for irrigation is paradoxically reducing every year. Hence the immediate need for measures to conserve and save water by judicious use with efficient irrigation system is vitally important. Water management has thus, become critical which can best be achieved by using MIS. These are increasingly accepted and adopted by farmers in all states in the country.

• **Infrastructure and Industrial Piping (IIP)**

The concept of plastic piping (in contrast to conventional metallic pipes) is relatively new in our country.

It is being increasingly recognized that plastic piping systems are superior in terms of corrossion resistance, durability, flexibility, strength, light in weight and convenience in installation. Plastic piping systems are also preferred for transportation of gas, water, chemicals, effluents and liquid waste disposal. More and more users are convinced and have commenced to switch over. The major demands stimulators include quantum growth in infrastructure (gas and water) distribution systems and increase in industrial usage.

Prospects

• **Micro Irrigation System (MIS)**

The area suitable for MIS for important crops are estimated by NABARD at 405 lakh ha. The present coverage is only around 9 lakh ha i.e. about 2%

Need for introduction of MIS on a large scale has been realised by the Planning Commission. The working Group on minor irrigation has recommended target of 13 lakhs ha during the X Plan.

Comparing the potential and the targets, the existing facilities are grossly inadequate as no major new entrant has joined the industry during the last couple of years.

In the recent past, for want of the availability and timely releases of subsidy caused lower capacity utilisation and resultant setback to the industry.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

The need for subsidy is partially attributable to high taxes imposed on the raw materials used to manufacture MIS. Representations have been made to Government by the Industry in this respect and the Government is considering fiscal measures to significantly reduce the price of MIS to the farmers without direct case by case subsidy. This would mean direct and open marketing to farmers without limitations of subsidy availability.

A task force has also been created in the year's budget to recommend measures needed to expand the coverage under micro irrigation and ensure that the benefits reach targeted beneficiaries.

With uncertainities in relation to subsidy structure and disbursement procedure taken care of by substituting viable and improvised methods of passing the benefits to the farmers, the industry prospects appear to be bright.

- **Infrastructure and Industrial Piping (IIP)**

Plastic pipes account for 23% of all pipes in various uses. This indicates substantial potential for growth. However, there is a low level of awareness and efforts to increase the same have led to expansion in the market for plastic pipes.

Your Company has pioneered the efforts to promote the usage of polythene pipe for gas and water distribution. It has the coveted phase to approval from British Gas PLC which is the testimony for high quality through out the world. Your Company supplies pipes to all major gas distribution companies in India and has also exported. Natural gas, though limited is an imported source of energy in the modern world. Our Government has set up gas distribution grids to extend distribution network in major states.

As the old metallic systems are eroded and the replacements are costly, World Bank has sponsored a scheme to replace metallic pipes with plastic pipes. This has also led Central Ministry of Urban Development to recommend usage of MDPE pipes for service connections in the Apex manual revised by its Water Supply & Treatment Board. Water pipes are being increasingly used by municipal corporations all over the country. The overall growth potential in infrastructure piping thus will be pronounced in the next decade.

In growing competition in the expanding market, your Company enjoys the advantage of its early entry in the market.

Your Company specialises in production of PP pipes for the industrial markets and has introduced specialised pipes for this application.

BUSINESS PERFORMANCE

Your Company is passing through very critical stage. While there is demand and acceptance of the Company's products, the Company's financials did not allow it to exploit all opportunities. With limited and restricted output , the Company earns PBIDTA which should improve during the current year.

State Governments like Andhra Pradesh have decided to undertake huge projects for implementation of Irrigation Systems to modernise their agricultural operations. This will change the entire industry scenario in the years to come.

FINANCIAL PERFORMANCE AND CASH FLOW ANALYSIS

During the year under review, the level of production, turnover and gross margin over material have remained unchanged compared to the previous period.

There is no significant change in Operating Profit before Working Capital changes Rs. 69.06 Lakhs (P.Y.Rs.74.15 Lakhs) and Net Cash flow from operating activities Rs. (-) 18.59 Lakhs (P. Y. Rs. (-) 13.51 Lakhs). Similarly, Net Cash flow from Investing Activities remained at Rs. (-) 4.64 Lakhs (P.Y. Rs. 5.66 Lakhs).

The Company has not been able to meet its financial obligations. The Debt Restructure Scheme is approved by banks and LIC Mutual fund. The Company is in dialogue with the remaining Secured Creditors for obtaining similar approval.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control procedures commensurate with its size and nature of its business. The internal control system provides for laid down policies, guidelines, authorisations, internal checks and approval procedures. These control procedures ensure efficient use and protection of resources, compliance with established Company policies and guidelines and compliance with statutes.

HUMAN RESOURCES

The Company continues to have harmonious relations with its employees at all locations. The Company recognises the potential and performance of its employees, provides challenges and opportunities for growth and conducts training programmes and workshops in order to enhance the skills of the employees.

As on March 31, 2003, the total number of employees of your Company was 203.

CAUTIONARY NOTE

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CORPORATE GOVERNANCE

1. REPORT ON CORPORATE GOVERNANCE

Your Company believes that good corporate governance enhances the shareholder's long term value. Your Company is transparent in its operations and makes necessary disclosures relating to Company's operations and financial performance to its shareholders.

2. BOARD OF DIRECTORS

The Board of Directors comprises of Executive and Non Executive Directors. The present strength of the Board is 4 Directors. The Chairman and Managing Director is the only Executive Director. The Non-Executive Directors are independent Directors. The composition of the Board meets with the stipulated requirements of the Corporate Governance Code under the Listing Agreement with the Stock Exchange(s).

Since the last Annual General Meeting of the Company, Mrs. I.K. Khanna resigned on 8th July 2003 and Mr. Vinayak Patil was appointed as an Additional Director with effect from 8th July 2003.

Attendance of Directors at the Board Meetings and the last Annual General Meeting.

Four Board meetings were held during the financial year ended March 31, 2003. The attendance at the said Board meetings and the last Annual General Meeting is as under:

Name	Category of Directorship	Number of Board Meetings Attended	Attendance at the last AGM
Mr. K. L. Khanna	Chairman & Managing Director	4	Yes
Mrs. I. K. Khanna	Non Executive Director	3	Yes
Mr. S. Ganesh	Nominee Director	2	No
Prof. P. K. Mukherjee	Non Executive Director	1	No

Number of Board Meetings held and the dates of the Board Meetings.

The Board meets at least once in a quarter to consider among other business, quarterly performance of the Company and the financial results. Four Board meetings were held during the financial year ended March 31, 2003. The dates on which the said meetings were held are as follows:

May 27, 2002
September 5, 2002
October 28, 2002
January 29, 2003

Remuneration to the Directors

The Company has not constituted a separate committee for determination of remuneration to managerial personnel. The remuneration of the Executive Director i.e. the Chairman and Managing director as well as Non Executive and Resident Directors is approved by the board and at the general meeting of the members.

The Chairman and Managing Director draws a token remuneration of Re. 1/- per month. The Non Executive Directors are paid fees for attending the meetings of the Board and the Committee on which they are members. The details of the remuneration to the Chairman and Managing Director for the financial year ended March 31, 2003 is:

Name & designation of Director	Salaries & allowances (Rs.)	Subscription (Rs.)	Premium for personnal accident insurance policy (Rs.)	Total (Rs.)
Mr. K.L. Khanna Chairman & Managing Director	12	15,433	3,290	18,735

Board Committees - Audit Committee

In the opinion of your Directors, initially the Board need to be broad based to ensure compliance of Corporate Governance norms and then to constitute Board committees like Audit committee, Remuneration committee etc., so that they are in a position to discharge of their respective functions effectively.

Pending induction, your Directors have decided to defer formation of the Committees for the time being.

3. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings held are as under:

Year ended	Location	Day	Date	Time
31st July, 2000	305A, Galleria, Hiranandani Gardens, Powai, Mumbai 400076	Friday	23rd Feb., 2001	4 p.m.
31st July, 2001	same as above	Thursday	29th Nov., 2001	4 p.m.
31st March, 2002	same as above	Monday	30th Sep., 2002	4 p.m.

All the resolutions set out in the respective Notices were passed by the members. No resolutions were put through Postal Ballot last year. Presently, the Company does not have any proposal for postal ballot.

4. DISCLOSURE

1. **Disclosure on materially significant related party transactions.**

   Please refer Note 24 of the accounts. These transactions do not have any potential conflict with the interest of the Company at large.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

2. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years.**

   None

3. **Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.**

   Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented the code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

   Under the said Codes, the Company has appointed Mr. K. P. Phadke, Company Secretary as the Compliance Officer.

5. MEANS OF COMMUNICATION

Half yearly report sent to each household of shareholders	No, as the results of the Company are published in the newspapers having circulation all over India.
Quarterly results	As above
Any website, where displayed	The Company has no website
Whether it also displays official news releases	No
Presentations made to institutional investors or to the analysts	During Joint Meetings of Secured Creditors
Newspapers in which results are normally published	Financial Express – English Lok Sanket - Marathi
Whether MD & A is part of Annual Report or not	MD & A forms part of the Annual Report for the year ended March 31, 2003

6. PROFILE OF DIRECTORS

• RETIRING BY ROTATION

Prof. P.K. Mukherjee is a law graduate from Canada and a doctorate from University of Wales Swansea. He was a practising barrister and solicitor for few years. He has also served as Senior Advisor on maritime policy and international affairs to the Canadian Hydrographic Service, International Maritime Organisation (IMO) and as Senior Deputy Director with the International Maritime Law Institute in Malta. Currently, he is a professor of Maritime Safety and Environmental Protection of the World Maritime University in Malmo, Sweden and also acting as legal consultant to the Cayman Islands Shipping Registry and also acting as the Maritime Legislation Consultant to the IMO.

• NEW APPOINTMENT

Mr. Vinayak Patil (60) is an eminent personality having held various important positions in Government, Semi Government and Cooperative Organisation during last three decades. Amongst others, his major contributions in the fields of Agro Forestry on Cooperative basis, major crops being Eucalyptus and Jatropha. He has also been conferred coveted Awards including Rolex Award for Enterprises (international) for 1990-93 by Montres Rolex SA, Geneva, India Priyadarshini Vriksha Mitra Award by Government of Maharashtra, etc. He has also been bestowed "Veer - Adhipati" title in recognition of outstanding management of Agro forestry enterprises by him.

7. GENERAL SHAREHOLDER INFORMATION

AGM: Date, time and Venue	30th September, 2003 at 4.00 p.m. at 305–A, Galleria, Hiranandani Gardens, Powai, Mumbai 400 076
Financial calendar (Indicative)	**Financial year: April 01, 2003 to March 31, 2004** a. First quarter results – fourth week of July 2003 b. Half-year results – fourth week of October 2003 c. Third quarter results – last week of January 2004 d. Results for the year ending March 31, 2004 – May / June, 2004
AGM for the year ending March 31, 2004	Before end August 2004 (tentatively)
Dates of Book Closure	23rd August, 2004 to 27th August, 2004 (both days inclusive) (tentatively)
Dividend Payment Date	Not applicable
Listing on Stock Exchange	a The Stock Exchange, Mumbai. b Ahmedabad Stock Exchange, and c Vadodara Stock Exchange
Stock Code – Physical ISIN No. for CDSL	523754 on the Stock Exchange Mumbai ISIN INE 215D01010
Market Price:	Shares were last traded on 21.03.2003 at Rs. 2.65
Registrars and Transfer Agents:	IIT Corporate Services Limited Protoprima Chambers, 2nd floor, Suren Road, Andheri (East) Mumbai 400 093 Tel. Fax: (022) 26838240 / 41

• Distribution of shareholding as on March 31, 2003

Shareholding	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	9,132	94.62	14,32,300	35.81
501-1,000	363	3.76	3,20,100	8.00
1,001-2,000	91	0.94	1,52,000	3.80
2,001-3,000	21	0.22	53,000	1.33
3,001-4,000	15	0.16	53,300	1.33

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Shareholding	Shareholders		Shares	
	Number	% to total	Number	% to total
4,001-5,000	7	0.07	32,300	0.80
5,001-10,000	10	0.10	72,900	1.82
10,001-30,000	8	0.08	1,47,200	3.68
30,001-50,000	1	0.01	39,500	0.99
50,001-1,00,000	1	0.01	78,100	1.96
1,00,001 & above	3	0.03	16,19,300	40.48
TOTAL	9,652	100%	40,00,000	100.00

- **Shareholding Pattern as on March 31, 2003**

Category	No. of shares	%
Indian Promoters		
• Trenton Investments Co. P. Ltd	13,29,800	33.25
Persons Acting in Concert		
• Indrani K. Khanna	2,20,500	5.51
• Anirudh K. Khanna	29,500	0.74
• Neelanjana K. Khanna	29,500	0.74
• Deepanjali R. Chhapwale	13,500	0.33
Banks	200	—
Private corporate bodies	1,73,500	4.34
Indian Public	19,86,800	49.67
NRIs/ OCBs	2,16,700	5.42
TOTAL	40,00,000	100.00

Dematerialisation of shares	As on March 31, 2003, out of 19,86,800 of the paid up Share Capital held by the Public (other than group Companies), 1.78% has been dematerialised.
Outstanding GDRs/ ADRs/Warrants or any convertible instruments conversion date and likely impact on equity	None
Plant location	H-109, MIDC, Ambad, Nashik 422010
Address for correspondence	• **Registrar & Transfer Agents** IIT Corporate Services Limited Protoprima Chambers, 2nd floor, Suren Road, Andheri (East) Mumbai 400 093 Tel. Fax: (022) 26838240 / 41 • **Company:** 201, Delta, Hiranandani Gardens, Powai, Mumbai 400 076 Tel: 022 25706654 (4 Lines) Fax : 022 25706653 Email: epc@bom3.vsnl.net.in

Non mandatory requirements	The Company has presently not adopted the non mandatory requirements given in Annexure 3 of the Corporate Governance Code.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS
EPC INDUSTRIÉ LIMITED

We have examined the compliance of condition of Corporate Governance by EPC Industrié Ltd., for the year ended 31st March, 2003 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, 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 statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we report that:

1 The Company has not set up independent audit committee.

2 The shareholders/ investors Grievances was not formed upto 31st March, 2003. We are informed that the Company has a Share Transfer Committee comprising two Directors. During the year ended 31st March, 2003, several meetings of the said committee were held as per the minutes furnished to us. We are further informed that Company's Share Transfer Committee was assigned responsibility for redressal of the shareholders and investors complaints like transfer of shares, non receipt of Balance sheet etc.

Subject to above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investors grievances are pending for the period exceeding one month against the Company, as per the record maintained by the Registrar.

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 Mukadam & Associates
Chartered Accountants

I A Mukadam
Partner

Mumbai, 8th July, 2003

www.reportjunction.com