

EPC INDUSTRIÉ LIMITED



**23RD ANNUAL REPORT
2004-2005**

BOARD OF DIRECTORS

Krishen Lal Khanna, Chairman & Managing Director
Proshanto Kumar Mukherjee
Vinayak Patil
S H H Zaidi (Nominee - UTI Mutual Fund)

COMPANY SECRETARY

Ratnakar Nawghare

AUDITORS

Mukadam and Associates, Chartered Accountants

BANKERS

State Bank of India
SBI Commercial & International Bank Ltd.
Bank of India

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CORPORATE OFFICE & WORKS

H-109, MIDC, Ambad, Nashik-422 010
Tel.: (0253) 2381081/82/83
Fax: (0253) 2381385
Email: epcind@vsnl.com

BRANCHES

Ahmedabad, Bhopal, Coimbatore, Hubli, Jaipur, Jalgaon, Mysore, Raipur,
Sangli, Tinsukia, Thrissur and Vadodara

REGISTRARS & TRANSFER AGENTS

Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (East),
Mumbai - 400 099.
Tel.: (022) 2830 5685
Fax: (022) 2830 5683/2837 5646
Email: sharepro@vsnl.com

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of EPC INDUSTRIE LIMITED will be held on Friday, 16th September, 2005 at 2.30 p.m. at 302 - 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, 2005, together with the Balance Sheet as at that date and the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Vinayak Patil who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government as may be required and such alterations and modifications, if any, that may be effected by the Central Government in granting such approvals, consent of the members be and is hereby accorded for the re-appointment of Mr. K L. Khanna with effect from 30th December, 2004 for a period of 5(five) years on the remuneration and perquisites and as per the terms and conditions as detailed below till the expiry of his present term of office :

Salary	Rs. 1,00,000 per month
Perquisites	In addition to salary, perquisites will be restricted to the amount per annum as specified in Parts A, B & C as below:

PART A

Housing Allowance	(a) Housing allowance: upto 60% of the Salary.
	(b) Expenditure incurred by the Company on gas, electricity and water will be valued as per the Income-tax Rules, subject to a ceiling of 10% of the salary.
	(c) Hard/soft furnishings will be valued as per the Income-tax Rules, subject to a ceiling of 5% of the salary.
Personal Accident Insurance	For an amount, the annual premium of which shall not exceed Rs.4,000/- per annum.

PART B

1. Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling of perquisites to the extent under these heads as per the rates prescribed under the appropriate laws and rules framed thereof.
2. Gratuity payable will not exceed half a month's salary for each completed year of service.

PART C

Car	Free car with a driver. Car will be used for the Company's business and will not be considered as perquisite. Private use of car will be billed by the Company.
Telephone	Free facility of telephone at residence for the purpose of the Company's business not to be treated as perquisite.
Leave	Fully paid leave of one month for every eleven months completed service.

"RESOLVED FURTHER THAT subject to the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 1956, the said remuneration and perquisites as proposed aforesaid, be paid as minimum remuneration, notwithstanding that in any financial year the Company has made no profits or the profits made are inadequate.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government as may be required and such alterations and modifications, if any, that may be effected by the Central Government in granting such approvals, consent of the members be and is hereby accorded for the revision of remuneration and perquisites payable as mentioned above to Mr. K L Khanna with effect from May 6, 2004 till 30th December, 2005".

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

"RESOLVED THAT the Registered Office of the Company be changed from 201, Delta, Hiranandani Gardens, Powai, Mumbai - 400 076 to H-109, MIDC Ambad, Nashik - 422 010, Maharashtra with immediate effect."

By Order of the Board

Ratnakar Nawghare
Company Secretary

Mumbai, 27th June, 2005.

ANNEXURE TO THE NOTICE**Explanatory Statement under section 173 (2) of the Companies Act, 1956****Item No. 4**

Mr. K L Khanna was appointed as the Chairman and Managing Director with effect from 30th December, 2000 for a term of 5 (five) years on a nominal remuneration of Rs. 1 per month. Mr. K L Khanna voluntarily drawing a nominal remuneration for last 4 years.

With the all round increase in Company's activities in the recent past and the approval of the Debt Restructure Scheme, it is just and fair to compensate Mr. K. L. Khanna with a reasonable remuneration.

Accordingly, the Board of Directors of the Company has revised the remuneration of Mr. K L Khanna on the same terms as mentioned in the resolution, with effect from 6th May, 2004 till the expiry of the present term subject to the approval of the Central Government which is still awaited.

The present term of the office of the Managing Director Mr. K L Khanna would expire on 29th December, 2005 and it is proposed to re-appoint Mr. K L Khanna for a further period of 5 (five) years from 30th December, 2005 subject to the provisions of Section 310 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government as may be required.

This may also be treated as an abstracts under Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution.

None of the Directors of the Company except Mr. K.L. Khanna is interested in the resolution.

Item No. 5

It is now proposed to shift the Registered Office to the Company's Headquarters located to H-109, MIDC Ambad, Nashik - 422 010.



Accordingly, the Registered office will continue to remain in the State of Maharashtra.

With the above change the Company is expected to save on administrative expenses and exercise better control and provide effective co-ordination at lesser costs.

Your Directors recommend the resolution for approval.

None of the Directors are interested in the Resolution.

By Order of the Board

Ratnakar Nawghare
Company Secretary

Mumbai, 27th June, 2005.

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 Explanatory Statement setting out the material facts pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No. 4 and 5 is annexed hereto.
3. The Special business under Item No. 5 requires consent of the Shareholders by means of postal ballot under the provisions of Section 192A of the Companies Act, 1956, and rules made thereunder. Postal ballot forms, the Notice pursuant to Section

192A(2) and the Explanatory Statement alongwith self-addressed postage pre-paid envelopes are being despatched to the Shareholders in order to conduct postal ballot process. The results of the postal ballot will be announced at the Annual General Meeting.

4. The Register of Members and Transfer Books of the Company will remain closed from 10th September 2005 to 16th September 2005, both days inclusive.
5. 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.

Annual Report 2004-05

DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Third Annual Report and Statement of Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

	2004-2005	(Rs. in lacs) 2003-2004
Turnover	3,414.92	3,072.50
Other Income	152.04	165.76
	<u>3,566.96</u>	<u>3,238.26</u>
Profit /(Loss) Before Interest, Depreciation and Tax	(171.37)	64.56
Interest	516.45	446.53
Depreciation	159.93	162.00
Amortisation	37.65	52.98
(Loss) Before Tax	<u>(885.40)</u>	<u>(596.95)</u>
Deferred Tax	77.00	215.00
Wealth Tax	—	(0.20)
(Loss) After Tax	<u>(808.40)</u>	<u>(382.15)</u>
Extra Ordinary Items (Net)	(60.19)	971.30
(Deficit) brought forward	(3,125.44)	(3,714.60)
(Deficit) carried forward	<u>(3,994.03)</u>	<u>(3,125.44)</u>

OPERATIONS AND OVERVIEW

In the year under review, the Plastic Processing industry was substantially affected by an unprecedented rise in polymer prices, which form the major input cost. It affected the progress of Andhra Pradesh Micro Irrigation Project until the Project Authorities agreed to revise the prices in Dec. 2004 to offset the price increase in polymers. This also resulted in delays in disbursement of funds by APMIP causing serious hardship to Company's operations.

Your Company continued to face severe working capital constraints during the year under review. Due to this, the increase in the turnover of your Company was constrained to 11%.

In May, 2005, your Company was appointed as Micro Irrigation supplier by the Gujarat Green Revolution Company Ltd. (a Joint Venture of GSFC, GNFC & GAIC) who are the project authorities for the mega project in Gujarat and are providing a subsidy of Rs 1500 Crores at 50% level for the Rs 3000 Crores Project. The area allocated to your Company will enable it to handle nearly 19% (Rs 570 Crores) expected to be executed within.

Simultaneously the Company continues to work in Andhra Pradesh in the prestigious Rs.1200 Crore Andhra Pradesh Micro Irrigation Project where it is one of the seven major participants.

It is worthwhile to note that Central Government has announced allocation of Rs 400 Crores towards subsidy during 2005-06. This will translate to an additional business

of Rs. 800 Crores to Rs. 1,600 Crores depending upon the states implementing projects for provision of matching contribution. As one of the major player, your Company enjoys market share of about 20% and will benefit from the spurt in demand on this account of its products.

PROCEEDINGS UNDER SICK COMPANIES (SPECIAL PROVISIONS) ACT

Your Company is under revival pursuant to the Sanctioned Scheme approved by BIFR on 6th May, 2004. There is delay in commencement in implementation thereof and requisite steps are being taken to ensure the expeditious commencement.

CHANGE IN REGISTERED OFFICE

It is proposed to shift the Registered office from Mumbai to the Company's Headquarters at H-109, MIDC Ambad, Nashik - 422 010. Requisite resolution is proposed to be passed in the ensuing General Meeting.

INSURANCE

Buildings, Plant and Machinery and other Fixed Assets as well as Inventories of the Company stands duly insured.

DIRECTORS

Mr. Ashu Shanker was appointed as alternate Director on October 31, 2004 and vacated office on January 27, 2005 on return of Prof Dr. Proshanto Kumar Mukherjee.

In the meeting of Board of Directors held on October 31, 2004, the remuneration of Mr.K.L.Khanna as Managing Director was increased with effect from 6th May, 2004, subject to approval from Central Government, for which an application is submitted. Requisite approval from members of the Company is sought in the ensuing general meeting.

Mr. Vinayak Patil is liable to retire by rotation and being eligible, offers himself for reappointment.

AUDITORS' REPORT

As regards to the comment in the Auditors' Report, the relevant notes in the Statement of Accounts are self-explanatory and may be treated as information / explanation submitted by the Board as contemplated under Section, 217(3) of The Companies Act, 1956.

CORPORATE GOVERNANCE

The Company has been taking steps to attain higher levels of transparency, accountability and Equity. Efforts are made not only to comply with the Regulatory requirements, but also by being responsive to the need of all concerned.

As per the amended Listing Agreement, with the Stock Exchange, a Management Discussion Analysis, a Report on Corporate Governance together with a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is attached and forms part of this Report.



AUDITORS

M/s Mukadam & Associates, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting. M/s Mukadam & Associates are eligible for reappointment under Section 224(1B) of the Companies Act, 1956 and have furnished a certificate to this effect. The Directors recommend their reappointment as Auditors of the Company upto the conclusion of the next Annual General Meeting.

ENERGY AND 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

The Company continues to give priority to the conservation of energy. To conserve energy and reduce energy cost, various initiatives were taken during the year. Some of these are given below:

- * Cycle time improvement
- * Energy efficient lighting throughout the shop floor, including natural light.
- * Improvement in power factor.
- * Heating time reduced using efficient heating system.
- * Cyclic timers used for exhaust fans resulting into energy savings.

FORM - A

A. POWER AND FUEL CONSUMPTION

	<u>2004-05</u>	<u>2003-04</u>
1. Electricity Purchased		
(i) Units (Kwh)	22,08,139	26,72,735
(ii) Amount (Rs.)	86,17,059	1,06,51,812
(iii) Average Rate (Rs./ Unit)	3.90	3.98

B. CONSUMPTION

(Units/MT Production)	1007	946
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TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS/ OUTGO

Your Company has earned a foreign exchange of Rs. 0.33 lacs (Previous Year Rs. 10.59 lacs) at F.O.B. price of exports

against the outgo of Rs. 11.58 lacs (Previous Year Rs. 11.77 lacs).

PARTICULARS OF EMPLOYEES

None of the employees was in receipt of remuneration as per the limits specified in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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 period and of the loss of the Company of the period 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 peaceful and cordial at all levels.

ACKNOWLEDGEMENT

The Directors place on record their sincere gratitude to the Consortium of Banks led by State Bank of India and other Secured Lenders for reposing confidence in the Management and extending support at all levels.

The Directors also record their appreciation for the continued support from Bhartiya Kamgar Sena, employees, customers, suppliers, business associates and shareholders.

For and on behalf of the Board

K L Khanna

Chairman & Managing Director

Mumbai, 27th June, 2005.

23rd Annual Report 2004-05

MANAGEMENT DISCUSSION AND ANALYSIS**OVERVIEW**

Realizing the benefits available by introducing Micro Irrigation Systems (MIS) in terms of water savings, increase in crop yields and nutrient management, various State Governments are conceiving projects similar to APMIP.

The Gujarat Government has now successfully launched a 3000 Crores Project in Gujarat and the States of Maharashtra, Rajasthan, Madhya Pradesh, Karnataka are also working on similar Mega Projects.

The Central Government is actively promoting the MIS concept. In the Budget Speech on 1st March, 2005, Hon. Finance Minister P Chidambaram said -

"Water-use efficiency in Indian agriculture is one of the lowest in the world. Government will promote micro-irrigation technology, comprising drip and sprinkler irrigation, on a large scale. About 1.2 million hectares have been covered under micro-irrigation so far, and the plan is to increase the coverage to 3 million hectares by the end of the Tenth Plan and to 14 million hectares by the end of the Eleventh Plan. Accordingly, I have provided Rs.400 crores for promoting micro-irrigation in 2005-06."

In view of the change in perception of Central and State Governments, which are the prime market drivers, the demand for the Company's products, which is well, positioned both for supply of Drip Irrigation (On-line and In-line products) and Sprinklers, will substantially jump. Against this scenario of robust demand, the Polymer prices (Polyethylene and PVC) have shown great volatility and upward trend. Hence the contracts have price revision clauses based on increases in raw material cost.

MIS was introduced in 1986 and the Industry is now nearly 19 years old. There are currently seven major Companies, including your Company, which is recognized as leaders in the country. Due to increase in demand, it is expected that there will be a number of new entrants.

OPERATIONS / SEGMENTWISE PERFORMANCE

The abnormal rise in Polymer prices during last quarter of the previous year continued to have bearings on this year's performance as the market prices of the products could not be increased correspondingly. It affected the progress

of APMIP until the revision in the prices in December, 2004.

Pending approval for the aforesaid revision in prices, there was delay in recovery of dues from APMIP. This caused serious mismatch in fund flow, which in turn disrupted working capital cycle and operations of the Company during the year under review. All the impediments now stand resolved. In the meantime, there was spurt in demand for non irrigation product lines and the loss in turnover in MIS was more than compensated, resulting in overall growth of 11%.

RISKS AND CONCERNS

Risk is intrinsic to every business and is essential ingredient to growth. While the business flowing from mega projects undertaken by various states will enable the Company to scale up the operations to optimum level and handsome gains, some inherent risks are associated therewith. This risk was practically experienced during the year under review, when the entire country witnessed unprecedented price rise of Polymers. To counter this challenge, timely planning of procurement of material and measures like fixed rate contracts are being explored which could reduce, if not avoid, impact on profitability on account of this reason.

Seasonality is a major problem for all Irrigation Industry as bulk of the major business is derived in non - monsoon months. However, with the well spread operations in western, southern and northern states where monsoon months vary, the Company's operations are balanced to certain extent.

The Company faces liquidity constraints and relatively heavy interest burden on account of highly leveraged capital structure. This is partly rectified by the restructuring and re-scheduling of the Debts. The consortium of Bankers have also sanctioned the limits based on the Debt Restructure Scheme and these limits will be in place shortly. This will help the Company to service its customers more efficiently.

The long-term viability is dependent upon higher volumes. To achieve this, your Company participates in major way in all state sponsored projects being undertaken in the Country. Being one of the major player in the industry, armed with product acceptance, your Company receives orders which can provide the required volumes.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control procedures commensurate with its size and nature of business. The internal control system provides for laid down policies,



guidelines, authorizations, 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 recognizes the potential and performance of its employees, provides challenges and opportunities for growth and conducts training programmes and workshops in order to enhance their skills.

As on March 31, 2005, the total number of employees of your Company was 202.

DEBT RESTRUCTURE SCHEME

In May, 2004, BIFR Sanctioned Company's Debt Restructure Scheme. The Company has not been able to honour commitments during the year under review due to delay in commencement of implementation. Necessary steps are being undertaken to address the issue emanating therefrom.

CAUTIONARY NOTE

The Management hereby caution that this Discussion and Analysis contain forward looking statements that involve risks and uncertainties. Actual results, performance or achievements and risks and opportunities could differ materially from those expressed or implied in this statement. This statement may be read in conjunction with the Company's financial statements and the Notes thereto.

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2004-05

REPORT ON CORPORATE GOVERNANCE

The Company has been taking steps to attain higher levels of transparency, accountability and Equity. Efforts are made not only to comply with the Regulatory requirements, but also by being responsive to the need of all concerned.

In compliance with the provisions of clause 49 of the Listing Agreement and other applicable provisions of the Companies Act, 1956, your Directors submit their report.

BOARD OF DIRECTORS

The composition of the Board of Directors is in compliance with provision of the Listing Agreement and the Companies Act, 1956. As on 31st March, 2005, the Board consist of Chairman and Managing Director and 3 Directors, out of which 3 are non executive directors. All the Directors have made necessary disclosures under Corporate Governance norms and the provisions of the Companies Act, 1956. The independent Directors are professionals having experience in business, finance and law. Details of Other Directorship in Public Limited Companies and Membership in Committee thereof are as under:

Name of Director	Position	Other Directorship	Membership in Committees
Mr. K.L. Khanna	CMD - Executive (Promoter)	1	N A
Mr. Vinayak Patil	Non Executive (Independent)	Nil	N A
Prof. Dr. P.K. Mukherjee	Non Executive (Independent)	Nil	N A
Mr. S. Ganesh (upto 23rd August, 2004)	Nominee	Nil	N A
Mr. S. H. H. Zaidi (since 23rd August, 2004)	Nominee Director	Nil	Nil

ATTENDANCE AT THE BOARD AND ANNUAL GENERAL MEETING

Five Board meetings were held during the financial year ended March 31, 2005. The attendance at the Board meetings and the last Annual General Meeting is as under:

Name of Director	Board Meetings	Attendance at the last AGM
Mr. K.L. Khanna	5	Yes
Mr. Vinayak Patil	5	Yes
Mr. S Ganesh	Nil	N A
Mr. S H H Zaidi	3	Yes
Prof. Dr. P. K. Mukherjee	1	No

NUMBER OF BOARD MEETINGS HELD AND THE DATES OF THE BOARD MEETINGS

The Board meets atleast once in a quarter to consider among other business, quarterly performance of the Company and

the financial results. 5 Board meetings were held during the financial year ended 31st March, 2005 on (1) 14th May, 2004 (2) 23rd August, 2004 (3) 30th September, 2004 (4) 31st October, 2004 and (5) 27th January, 2005.

REMUNERATION TO DIRECTORS

The Board of Directors has revised the remuneration payable to the Chairman and Managing Director w. e. f. May 6, 2004 and the same is payable subject to the approval of the Central Government and which is awaited. The members' approval is sought in the ensuing Annual General Meeting. However, presently, the Chairman and Managing Director is drawing a token remuneration of Re. 1/- month.

The Non Executive Directors are paid fees for attending the meetings of the Board / Committee meetings attended.

The Company is yet to form a committee for determination of remuneration to managerial personnel.

BOARD COMMITTEES

Presently, out of 3 non executive Directors, only 2 are based in India. To comply with the prescribed norms as regards to constitution of the Audit Committee, Shareholders'/ Investors' Grievance Committee and Remuneration Committee in compliance with Corporate Governance Code, the Board of Directors needs to be broad based. Necessary steps are being taken in this direction so as to induct Directors on the Board. Pending induction, your Directors have decided to defer formation of the Committees for the time being and carry out the function of the Committee by the Board itself.

GENERAL BODY MEETINGS

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

Year ended	Day	Date	Time	Location
31st March, 2002	Monday	30th Sep., 2002	4.00 p.m.	302A, Galleria, Hiranandani Gardens, Powai, Mumbai 400076
31st March, 2003	Tuesday	30th Sep., 2003	4.00 p.m.	Same as above
31st March, 2004	Thursday	30th Sep., 2004	2.30 p.m.	Same as above

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

DISCLOSURE

- Disclosure on materially significant Related Party transactions.

Please refer Note 28 of Schedule 'Q' to the Statements of Accounts. These transactions do not have any potential conflict with the interest of the Company at large.

- 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

- **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 Code, the Company had appointed Mr. Ratnakar Nawghare as the Compliance Officer, with effect from 16th August, 2004.

MEANS OF COMMUNICATION.

Half yearly report sent to each household of shareholders	No The results of the Company are published in the newspapers having wide circulation.
Quarterly results	Same 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	No
Newspapers in which results are normally published	Financial Express / Free Press Journal / Navshakti / Punyanagari
Whether MD & A is part of Annual Report or not	Yes

PROFILE OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT

Name of Director	Mr. Vinayak Patil
Date of Birth	19th August, 1943
Date of Appointment	9th July, 2003
Expertise in specific functional areas	Agriculturist and social activist
Qualifications	S S C
List of public companies in which outside Directorship held as on March 31, 2005	Nil
Chairman / Member of the Committees of the board of the Companies on which he is a Director as on March 31, 2005	N. A.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	16th September, 2005 at 2.30 p.m. at 302-A, Galleria, Hiranandani Gardens, Powai, Mumbai 400076		
Financial calendar (Indicative)	April 01, 2005 to March 31, 2006		
	1st Quarter results	end July, 2005	
	Half-yearly results	end October, 2005	
	3rd quarter results	end January, 2006	
	Annual results 2005-06	end June, 2006	
Dates of Book closure	10th September, 2005 to 16th September, 2005 (both days inclusive)		
Dividend Payment Date	Not applicable		
Listing on Stock Exchange	The Stock Exchange, Mumbai.		
Stock Code	523754 on the Stock Exchange Mumbai		
ISIN No. for NSDL & CDSL	ISIN INE 215D01010		
Market Price: (Rupees)		High	Low
	April '04	NA	NA
	May	2.41	2.05
	June	1.65	1.65
	July	2.30	1.60
	August	2.40	2.00
	September	7.00	2.88
	October	6.11	3.66
	November	5.34	4.00
	December	NA	NA
	January '05	7.00	5.50
	February	13.00	6.20
	March	9.00	6.50
Registrars and Transfer Agents	Sharepro Services Satam Estate, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099. Tel : (022) 2830 5685 Fax : (022) 2830 5683 / 5646 Email: sharepro@vsnl.com		
Share Transfer System			
The Company's shares are traded on the Stock Exchange Mumbai in the electronic mode. Shares received for transfer by the Company or the Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificates duly transferred are despatched within a period of 15 to 20 days.			