

EPC INDUSTRIE LIMITED



24TH ANNUAL REPORT 2005-2006

**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

CORPORATE OFFICE & WORKS

H-109, MIDC Ambad, Nashik-422 010
 Tel.: (0253) 2381081/82/83
 Fax: (0253) 2382975
 Email: epcind@vsnl.com

REGISTERED OFFICE

H-109, MIDC Ambad, Nashik-422 010
 Tel.: (0253) 2381081/82/83
 Fax: (0253) 2382975
 Email: epcind@vsnl.com

BRANCHES

Baroda, Bhopal, Coimbatore, Duliajan, Hubli, Jaipur, Sangli, Thrissur and Secunderabad

REGISTRARS & TRANSFER AGENTS

Sharepro Services
 Satam Estate, 3rd Floor,
 Above Bank of Baroda,
 Cardinal Gracious Road,
 Chakala, Andheri (East),
 Mumbai - 400 099.
 Tel : (022) 28305685
 Fax : (022) 2830 5683/2837 5646
 Email : sharepro@vsnl.com

24th Annual Report 2005-06

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of EPC INDUSTRIE LIMITED will be held on Monday, 11th December, 2006 at 12.00 noon at Plot No. H-109, MIDC Ambad, Nashik-422 010 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, 2006, 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. Dr. Proshanto Kumar Mukherjee, 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 modifications, the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authorities from time to time, to the extent applicable, and subject to the Board for Industrial and Financial Reconstruction (BIFR) approving this equity share issue in accordance with such terms sanctioned by the BIFR under the Modified Rehabilitation Scheme (referred to in the Explanatory Statement to the notice to this meeting) approved by the BIFR and such other consents and approvals as may be necessary and subject to such terms and conditions as may be determined by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) or as may be prescribed or made, while granting such consents and approvals and which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches, by way of private placement 45,00,000 ordinary equity shares ("Equity Shares") of the face value of Rs. 10 each and ranking pari passu inter se with the existing equity shares in all respects for cash, at such premium, and in such manner and on such terms and conditions as the Board, may, decide and as approved by the BIFR under the Modified Rehabilitation Scheme."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to determine the terms of the issue to the investors to whom the Equity Shares are to be allotted on a private placement basis, the number of Equity Shares to be allotted in each tranche, premium on the Equity Shares, listing on The Stock Exchange, Mumbai, as the

Board, in its absolute discretion may deem fit and to make and accept any modifications to the terms and conditions of the Equity Shares proposed to be issued as may be required by any statutory or Governmental authority in the best interest of the Company and its shareholders and to settle any questions or difficulties that may arise in regard to the issue(s)."

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

"RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authorities from time to time, to the extent applicable, and subject to such consents and such other approvals as may be necessary and subject to such terms and conditions as may be determined by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) or as may be prescribed or made, while granting such consents and approvals and which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to raise funds upto the limit of Rs. 18,00,00,000 (Rupees Eighteen Crores) for the Company to meet its capital expenditure and working capital requirements and for such other purposes as the Board deems fit, as permitted by law, whether such funding is raised through debt and/or issue of preference capital."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to determine the terms and conditions of such funding whether raised through debt and/or issue of preference capital, as the Board in its absolute discretion may deem fit and to make and accept any modifications to the terms and conditions as may be required by any Governmental or statutory authority in the best interest of the Company and its shareholders and to settle any questions or difficulties that may arise in regard to the funding."

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

"RESOLVED THAT pursuant to the provisions of Section 94 (1)(a) of the Companies Act, 1956, and other applicable provisions, if any, and subject to the Modified Rehabilitation Scheme (referred to in the Explanatory Statement to the notice to this meeting) being approved by the Board for Industrial and Financial Reconstruction (BIFR), the authorised share capital of the Company be and is hereby increased from Rs. 15,00,00,000 (Rupees fifteen crores) divided into 1,50,00,000 (One crore fifty lacs) equity shares of Rs. 10 (Rupees ten) each to



Rs. 30,00,00,000 (Rupees thirty crores) divided into 1,40,00,000 (One crore forty lacs) equity shares of Rs. 10 (Rupees ten) each and 16,00,000 (Sixteen lacs) preference shares of Rs. 100 (Rupees hundred) each.

"RESOLVED FURTHER THAT subject to the Modified Rehabilitation Scheme (referred to in the Explanatory Statement to the notice to this meeting) being approved by the BIFR the existing Clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place the following Clause V be substituted:

"The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees thirty crores) divided into 1,40,00,000 (One crore forty lacs) equity shares of Rs. 10 (Rupees ten) each and 16,00,000 (Sixteen lacs) preference shares of Rs. 100 (Rupees hundred) each."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 31(1) of the Companies Act, 1956, and other applicable provisions, if any, and subject to the Modified Rehabilitation Scheme (referred to in the Explanatory Statement to the notice to this meeting) being approved by the BIFR, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following Article 3 be substituted therefor:

"The Authorised Share Capital of the Company is Rs. 30,00,00,000 (Rupees thirty crores) divided into 1,40,00,000 (One crore forty lacs) equity shares of Rs. 10 (Rupees ten) each and 16,00,000 (Sixteen lacs) preference shares of Rs. 100 (Rupees hundred) each."

By Order of the Board

Ratnakar Nawghare
Company Secretary

Nashik, 29th September, 2006

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item No. 4 and 5

You are aware that the Company is before the Board for Industrial and Financial Reconstruction (BIFR). The BIFR had passed the Debt Restructuring Scheme ("Scheme") in the year 2004 granting certain concessions in repayment of its debts considering the healthy order book position from Andhra Pradesh Micro Irrigation Project. However, the same could not be implemented because of non-availability of increased working capital facilities resulting into further erosion of the network of the Company affecting the performance of the Company.

The Company has been constantly making efforts for its revival in view of the good market potential to the Company's products and various various micro irrigation projects.

The BIFR on consideration of submissions made by the Company issued directions on 6th October, 2005 to the Company to submit amendments and modifications to the Scheme.

The Company is accordingly negotiating with investors for financing its revival plans and for settlement of the outstanding dues of its secured creditors on a One Time Settlement basis. The Company has submitted a Modified Rehabilitation Scheme ("Modified Rehabilitation Scheme") to the BIFR in which it has requested the BIFR to accord its approval as part of the modified rehabilitation package to the issue and allotment of 45,00,000 equity shares of the face value of Rs. 10 each at such premium as approved under the Modified Rehabilitation Scheme to financial investors to be utilised for the One Time Settlement of the dues of the secured lenders and overdue payments of the Company and Rs. 16,00,00,000 (Rupees sixteen crores) by way of debt to meet the working capital and capital expenditure requirements of the Company.

The Company also proposes to raise additional Rs. 2,00,00,000 (Rupees two crores) for such other purposes as the Board deems fit as may be permitted by law.

The Board recommends the Special Resolutions as set out in Item 4 and 5 in the accompanying notice for your approval. None of the Directors of the Company are interested in the resolution.

Item No. 6

The Company has been permitted by the Board for Industrial and Financial Reconstruction (BIFR) to submit amendments and modifications to the Debt Restructuring Scheme referred to in the Explanatory Statement for Item No. 4 and 5 above for the approval of the BIFR.

The Company is accordingly negotiating with investors for financing its revival plans and for settlement of the outstanding dues of its secured creditors on a One Time Settlement basis. The Company has submitted a Modified Rehabilitation Scheme ("Modified Rehabilitation Scheme") to the BIFR in which it has requested the BIFR to accord its approval as part of the modified rehabilitation package to the issue and allotment of 45,00,000 equity shares of the face value of Rs. 10 each at such premium as approved under the Modified Rehabilitation Scheme to financial investors to be utilised for the One Time Settlement of the dues of the secured lenders and overdue payments of the Company and Rs. 16,00,00,000 (Rupees sixteen crores) by way of debt to meet the working capital and capital expenditure requirements of the Company.

The Company also proposes to raise additional Rs. 2,00,00,000 (Rupees Two crores) by way of issue of further capital for such other purposes as the Board deems fit as may be permitted by law.

In order to put the above proposal into effect, it is necessary to increase the authorised share capital of the Company and

24th Annual Report 2005-06

the Board therefore, recommends that the authorised share capital of the Company be increased from Rs. 15,00,00,000 (Rupees fifteen crores) divided into 1,50,00,000 (One crore fifty lacs) equity shares of Rs. 10 (Rupees ten) each to Rs. 30,00,00,000 (Rupees thirty crores) divided into 1,40,00,000 (One crore forty lacs) equity shares of Rs.10 (Rupees ten) each and 16,00,000 (Sixteen lacs) preference shares of Rs. 100 (Rupees hundred) each.

The Board recommends the Special Resolution as set out in Item No. 6 in the accompanying notice for your approval. None of the Directors of the Company are interested in the resolution.

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.
 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, 5 and 6 is annexed hereto.
 3. The Register of Members and transfer books of the Company will remain closed from 6th December, 2006 to 11th December, 2006, both days inclusive.
1. 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.



DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Fourth Annual Report and Statement of Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

	2005-2006	(Rs. in lacs) 2004-2005
Turnover	1,722.59	3,414.92
Other Income	27.22	152.04
	1,749.81	3,566.96
Profit /(Loss) Before Interest, Depreciation and Tax	(384.77)	(171.37)
Interest	635.96	516.45
Depreciation	154.61	159.93
Amortisation	37.50	37.65
(Loss) Before Tax	(1,212.86)	(885.40)
Deferred Tax	248.38	77.00
(Loss) After Tax	(973.98)	(808.40)
Extra Ordinary Items (Net)	(575.10)	(60.19)
(Deficit) brought forward	(3,994.04)	(3,125.44)
(Deficit) carried forward	(5,543.09)	(3,994.04)

OPERATIONS AND OVERVIEW

The Company's performance has been adversely affected due to acute shortages of working capital. This has resulted in substantial drop in the Company's performance.

On approval of its proposed Modified Rehabilitation Scheme by BIFR, the Company will be in a position to improve its performance by execution of orders of Andhra Pradesh Micro Irrigation Project and the Gujarat Green Revolution Company Ltd. on a larger scale.

PROCEEDINGS UNDER SICK COMPANIES (SPECIAL PROVISIONS) ACT

Your Company is under revival pursuant, to the Sanctioned Scheme approved by BIFR on 6th May, 2004. In the review held on 6th October, 2005 BIFR had permitted the Company to submit a Modified Rehabilitation Scheme due to delays in the implementation of the Scheme sanctioned in May, 2004. The Company has been successful in agreeing a One Time Settlement Scheme with the Banks/NCD holders and an application is being made to BIFR for its favorable consideration. It is proposed that the settlement will be achieved by infusion of fresh equity by Financial Investors.

INSURANCE

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

DIRECTORS

In accordance with Article 123 of the Articles of Association Prof. Dr. Proshanto Kumar Mukerjee retires by rotation and, being eligible, offers himself for re-appointment.

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 needs 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 are 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.

CONSERVATION OF 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

	2005-06	2004-05
1. Electricity Purchased		
(i) Units (Kwh)	14,12,320	22,08,139
(ii) Amount (Rs.)	63,45,083	86,17,059
(iii) Average Rate (Rs./ Unit)	4.44	3.90

B. CONSUMPTION

(Units/MT Production)	1141	1007
-----------------------	------	------

24th Annual Report 2005-06

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. Nil (Previous Year Rs. 0.33 lacs) at F.O.B. price of exports against the outgo of Rs. Nil (Previous Year Rs. 11.58 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.

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

Nashik, September 29, 2006.

MANAGEMENT DISCUSSION AND ANALYSIS**OVERVIEW**

The benefits of Micro Irrigation Systems (MIS) have been well established and recognized by the Central and State level policy makers and the market.

The Mega Projects of Andhra Pradesh State (APMIP) and Gujarat (GGRCL) have been well received by the farmers. Projects are being conceived by other states. The Central Schemes for other states are functioning well and the use of MIS is on an upward trend.

OPERATIONS / SEGMENTWISE PERFORMANCE

The unprecedented increase in Polymer Prices this year is being offset by the price increase being effected by the Project authorities.

The Project Authorities are also demanding coverage of more acreage per annum with MIS from all participating companies.

RISKS AND CONCERNS

Seasonality is a major problem for all irrigation Companies 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 replacement market for its MIS products is small as the Company uses higher grade polymers, which are more durable. Hence growth will mostly come from new customers or expansion by existing customers.

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 the skills of the employees.

As on March 31, 2006, the total number of employees of your Company was 169.

CAUTIONARY NOTE

The Management hereby cautions 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.

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 needs 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, 2006, 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	Nil
Mr. Vinayak Patil	Non Executive (Independent)	1	Nil
Prof. Dr P. K. Mukherjee	Non Executive (Independent)	Nil	Nil
Mr. S. H. H. Zaidi	Nominee Director	Nil	Nil

ATTENDANCE AT THE BOARD AND ANNUAL GENERAL MEETING

Five Board meetings were held during the financial year ended March 31, 2006. 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	4	Yes
Mr. S H H Zaidi	4	Yes
Prof. P. K. Mukherjee	Nil	No

NUMBER OF BOARD MEETINGS HELD AND THE DATES OF 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, 2006 on (1) 27th June,

2005 (2) 3rd September, 2005 (3) 16th September, 2005 (4) 12th December, 2005 and (5) 28th February, 2006.

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. The Central Government has asked the Company for certain compliance, which is yet to be complied. However, presently, the Chairman and Managing Director is drawing a token remuneration of Re. 1/- per 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 Committees 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, 2003	Tuesday	30th Sep., 2003	4 00 p.m.	302-A, Galleria, Hiranandani Gardens, Powai, Mumbai 400076
31st March, 2004	Thursday	30th Sep., 2004	2.30 p.m.	Same as above
31st March, 2005	Friday	16th Sep., 2005	2.30 p.m.	Same as above

APPROVAL BY MEMBERS THROUGH POSTAL BALLOT :

The Company sought approval of the Members, for passing a Special Resolution under Section 146, of the Companies Act, 1956 for shifting the Registered Office from 201, Delta, Hiranandani Gardens, Powai, Mumbai-400076 to its Corporate Head quarters at Plot No. H-109, MIDC Ambad, Nashik-422 010. Mr. Ashok Surana- Practising Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot process. The details of the voting pattern are as under:

Particulars	No of votes cast	% of votes cast
In favour of the Resolution	2728200	99.97%
Against the Resolution	700	0.03
Total	2728900	100.00

Number of Invalid Ballots (unsigned/unticked) were 2. The Resolution was approved by the overwhelming majority of the Members.

24th Annual Report 2005-06

PROCEDURE FOR POSTAL BALLOT

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, Postal Ballot Form and self-addressed postage pre-paid envelopes are sent to the Shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of despatch. After the last date for receipt of ballots, Scrutinizer, after due verification, submits the result to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot.

All the resolutions set out in the respective Notices were passed by the members unanimously. One resolution was approved by Postal Ballot last year.

DISCLOSURE

- **Disclosure on materially significant Related Party transactions.**

Please refer Note 24 of Schedule 'R' 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.

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	The Free Press Journal/ Navshakti
Whether MD & A is part of Annual Report or not	Yes

PROFILE OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT

Name of Director	Prof. Dr.Proshanto Kumar Mukherjee
Date of Birth	11th August, 1945
Date of Appointment	23rd February, 2001
Expertise in specific functional areas	1] ITF Professor of Maritime Safety and Environmental Protection of the World Maritime University in Malmo, Sweden 2] Legal Consultant to the Cayman Islands Shipping Registry. 3] Maritime Legislation Consultant to the IMO (periodical assignments)
Qualifications	B.Sc. (Cal), LL.B. (Dalhousie), Ph.D. (Wales)
List of public companies in which outside Directorship held as on March 31, 2006	Nil
Chairman / Member of the Committees of the board of the Companies on which he is a Director as on March 31, 2006	N. A.

GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	11th December, 2006 at 12.00 noon at Plot No.H-109, MIDC Ambad, Nashik, 422 010.
Financial calendar (Indicative)	Financial year : April 01, 2006 to March 31, 2007
	1st Quarter results end July, 2006
	Half-yearly results end October, 2006
	3rd quarter results end January, 2007
	Annual results end June, 2006-07 2007
Dates of Book closure	6th December, 2006 to 11th December, 2006 (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' 05	7.55	5.95
	May	10.20	6.25
	June	9.00	6.05
	July	13.24	6.18
	August	21.28	9.50
	September	22.65	14.80
	October	15.20	8.67
	November	10.98	9.00
	December	9.92	7.84
	January' 06	16.87	7.73
	February	15.60	12.50
	March	12.26	9.11
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		
Dematerialisation of shares	As on March 31, 2006, out of the total paid up share capital 65.8% has been dematerialised.		
Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity	None		
Plant location	The Company's plant is located H-109, MIDC Ambad, Nashik 422 010		
Address for correspondence Registrar & Transfer Agent	Sharepro Services Satam Estate, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099. Ph No. : 022-28305685		
Registered office	Plot No. H-109, MIDC Ambad, Nashik - 422 010. Tel: (0253) 2381081/82/83 Fax: (0253) 2382975 Email:epcind@vsnl.com		
Non mandatory requirements	The Company has presently not adopted the non - mandatory requirements given in Annexure 3 of the Corporate Governance Code.		

Distribution of shareholding as on March 31, 2006

Shareholding	Shareholders		Shares	
	Number	% to total holders	Number	% to total Capital
Upto 500	8,372	93.94	13,38,978	26.78
501 - 1,000	3,49	3.92	3,01,825	6.04
1,001 - 5,000	1,60	1.79	3,53,065	7.06
5,001 - 10,000	17	0.20	1,27,599	2.55
10,001 - 50,000	10	0.11	2,21,933	4.44
50,001 - 1,00,000	-	-	-	-
1,00,001 & above	4	0.04	26,56,600	53.13
TOTAL	8,912	100.00	50,00,000	100.00

Shareholding Pattern as on March 31, 2006

Category	No. of shares held	%
Indian promoters, Directors and relatives	27,29,300	54.59
Banks	NIL	—
Private corporate bodies	85,036	1.70
Indian Public	19,90,764	39.81
NRIs/ OCBs	1,94,900	3.90
GRAND TOTAL	50,00,000	100.00