

# **EPC INDUSTRIE LIMITED**



## **25TH ANNUAL REPORT 2006-2007**



**BOARD OF DIRECTORS**

Krishen Lal Khanna, Chairman & Managing Director  
Vinayak Patil  
Jayendra Shah  
Bhoopendra K. Sharma

**COMPANY SECRETARY**

Ratnakar Nawghare

**AUDITORS**

Mukadam and Associates, Chartered Accountants

**BANKERS**

HDFC Bank  
ABN Amro Bank

**CORPORATE OFFICE & WORKS**

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

**REGISTERED OFFICE**

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

**BRANCHES**

Ahmedabad, Bhopal, Coimbatore, Duliajan, Hubli, Hyderabad, Jaipur,  
Raipur, Sangli, 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](mailto:sharepro@vsnl.com)

## 25th Annual Report 2006-07

### NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of EPC INDUSTRIE LIMITED will be held on Friday, July 20, 2007 at 11.00 a.m. at the Registered office at Plot No.H-109, MIDC Ambad, Nashik-422 010 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2007, 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 modifications, the following resolution as Ordinary Resolution:

"RESOLVED THAT Mr. Jayendra Shah who was appointed as an Additional Director of the Company with effect from 22nd January, 2007 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".

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

"RESOLVED THAT Mr. Bhoopendra K Sharma who was appointed as an Additional Director of the Company with effect from 28th May, 2007 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".

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

"Resolved that the further implementation of the Special Resolution passed at the Annual General Meeting held on 30th September, 2004 in accordance with the provisions of Section 81 and other applicable provisions of the Companies Act, 1956, authorizing the Board to offer, issue and allot by way of private placement basis or otherwise, whether the existing shareholders or not, Equity Shares of Rs. 10 per share not exceeding Rs. 2 crores be suspended and to that extent restrict the issuance of Equity Shares under the said resolution to Equity Share of Rs. 10 each of Rs. 1 crore and therefore the said resolution shall to that extent stand amended."

By Order of the Board

**Ratnakar Nawghare**  
Company Secretary

Nashik, 28th May, 2007

### ANNEXURE TO THE NOTICE

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

#### Item No. 4

The Board of Directors at its Meeting held on January 22, 2007 appointed Mr. Jayendra Shah as an Additional Director to hold office upto the date of the ensuing Annual General Meeting.

The Company has received a Notice in writing under Section 257 of the Companies Act, 1956, alongwith requisite deposit, from a Member of the Company signifying his intention to propose the appointment of the said Director at the ensuing Annual General Meeting.

The particulars of Mr. Jayendra Shah, which are required to be disclosed pursuant to Clause 49(IV) (E) of the Listing Agreement, are mentioned elsewhere as a part of the Corporate Governance Report.

The Board considers that the Company will benefit from the association of Mr. Jayendra Shah who has expertise in Finance, Accounting, taxation and corporate laws and recommends the resolution for your approval.

None of the Directors of the Company except Mr. Jayendra Shah is, concerned or interested in the resolution.

#### Item No. 5

The Board of Directors at its Meeting held on May 28, 2007 appointed Mr. Bhoopendra K Sharma as an Additional Director to hold office upto the date of the ensuing Annual General Meeting.

The Company has received a Notice in writing under Section 257 of the Companies Act, 1956, alongwith requisite deposit, from a Member of the Company signifying his intention to propose the appointment of the said Director at the ensuing Annual General Meeting.

The particulars of Mr. Bhoopendra Sharma, which are required to be disclosed pursuant to Clause 49(IV) (E) of the Listing Agreement, are mentioned elsewhere as a part of the Corporate Governance Report.

The Board considers that the Company will benefit from the association of Mr. Bhoopendra Sharma who has expertise in overall business operations including global operations and recommends the resolution for your approval.

None of the Directors of the Company except Mr. Bhoopendra K Sharma is, concerned or interested in the resolution.

#### Item No. 6

The members of the Company had given authorisation to the Board of Directors for raising the Equity Shares of Rs. 10 each for the amount not exceeding Rs. 2 (two) crores in the Annual General Meeting held on 30th September, 2004. Under the Sanctioned Scheme dated 6th May, 2004, Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has stipulated contribution of Rs. 2 crores. Out of which, the Board had issued on 3rd September 2005, 10,00,000 shares of Rs. 10 each amounting to Rs. 1 (one) crore on Preferential



basis to the Promoters. After raising of overseas investments under the Amended / Modified Scheme sanctioned by BIFR on 6th March, 2007, the raising of balance Rs. 1 crores by way of Equity capital is no longer required hence the Board of Directors recommend the Special Resolution set out at Item No. 6 of the Notice for approval.

None of the Directors of the Company is, concerned or 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 pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and Transfer Books of the Company will remain closed from 16th July, 2007 to 20th July, 2007, both days inclusive.
4. 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 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.

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## 25th Annual Report 2006-07

### DIRECTORS' REPORT

Your Directors are pleased to present the Twenty Fifth Annual Report and Statement of Accounts for the year ended 31st March, 2007.

### FINANCIAL RESULTS

	2006-2007	(Rs. in lacs) 2005-2006
Turnover	1,326.19	1,722.59
Other Income	88.64	27.23
	<u>1,414.83</u>	<u>1,749.82</u>
Profit /(Loss) Before Interest, Depreciation and Tax	(512.51)	(384.77)
Interest	47.98	635.97
Depreciation	126.68	154.61
Amortisation	28.15	37.51
Profit (Loss) Before exceptional items	<u>(715.32)</u>	<u>(1,212.86)</u>
Exceptional Items	4,201.08	(575.08)
Profit (Loss) Before Tax	3,485.76	(1,787.94)
Provision for Tax	1,492.66	238.88
Profit ( Loss ) After Tax	1,993.10	(1,549.06)
(Deficit) brought forward	(5,543.09)	(3,994.03)
Transfer from General Reserve	1,069.36	—
(Deficit) carried forward	<u>(2,480.63)</u>	<u>(5,543.09)</u>

### OPERATIONS AND OVERVIEW

The Company's Sales turnover for the year under review was at Rs. 13.26 crores as compared to Rs. 17.22 crores in the previous year, the performance being adversely affected by acute shortages of working capital.

Exceptional Items include Extinguishment of Debts and Waiver of Interest under One Time Settlement with Banks and NCD Holders of Rs. 30.08 Crores and Rs. 32.95 Crores respectively less write off/provision for Bad Debts and Doubtful advances, obsolete stock and impairment of intangible asset amounting to Rs. 21.01 Crores.

In January, 2007, the Company, received a total investment of Rs. 40.05 Crores from Credit Renaissance Partners LLC, New York and affiliates in form of:

- 45,00,000 Equity Shares of Rs.10/- each at a premium of Rs.39/- aggregating to Rs.22.05 crores.
- 18,00,000 Optionally Convertible Cumulative Debentures of Rs.100 each aggregating to Rs.18.00 crores with an option to convert at the option of subscribers to 12% Preference Shares of Rs.100/- each.

The proceeds of the Equity Shares have been used to pay the Secured Creditors (Banks and NCD holders) as per agreed One Time Settlement. The proceeds of Debentures

are being used to finance capital expenditure and working capital.

On availability of working capital, the Company has stepped up work in the Rs. 2500 crores Andhra Pradesh Micro Irrigation Project (APMIP) and Rs. 3250 crores Gujarat Green Revolution Company Ltd. (GGRCL) where it is an approved supplier. It has also started vigorously pursuing business in other States which are beneficiaries of the Centrally Sponsored Scheme to promote Micro Irrigation and is actively participating in discussion with other States which are planning mega projects like APMIP and GGRCL.

In view of the strong Brand image and well acceptance of the Company's products in the market, your Company is poised to recover lost ground rapidly.

### PROCEEDINGS UNDER SICK COMPANIES (SPECIAL PROVISIONS) ACT

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) sanctioned an Amended / Modified Revival Scheme of the Company on 6th March, 2007 approving the One Time Settlement agreed with Secured Creditors (Banks and NCD Holders) and granting certain other relief and concessions.

### INSURANCE

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

### DIRECTORS

On January 22, 2007 Mr. K L Khanna – Chairman and Managing Director of the Company resigned and was re-appointed as the Managing Director with effect from 22nd January, 2007 to 29th December, 2009 on the terms and conditions and the remuneration as per the Managing Director Agreement dated January 17, 2007. The Shareholders in the Extra Ordinary General Meeting held on May 22, 2007 have approved the terms of his appointment and the remuneration payable to him.

Mr. Jayendra Shah was appointed as Additional Director on January 22, 2007. As Additional director, he holds office till the ensuing Annual General Meeting. Accordingly, Item No.4 of the Notice in regard to his appointment is commended to the Members.

Mr. Bhoopendra K Sharma was appointed as Additional Director on May 28, 2007. As Additional Director, he holds office till the ensuing Annual General Meeting. Accordingly, Item No.5 of the Notice in regard to his appointment is commended to the Members.

Mr. S H H Zaidi- Nominee Director and Dr. P K Mukherjee have resigned from the Board. The Directors place on record their appreciation of the contribution made by these directors during their tenure as Directors of the Company.

In accordance with Article 123 of the Articles of Association Mr. Vinayak Patil retire by rotation and, being eligible, offers himself for re-appointment.



## 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.

## 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 of power factor.
- Machine heating time reduced using efficient heating system.
- Cyclic timers used for exhaust fans resulting into energy savings.
- Provision of energy meters to individual processing equipments like extruder, utilities and moulding section to monitor improvement in power consumption.
- Automation in Utility Plant for optimization of energy consumption.

### FORM - A

#### A. POWER AND FUEL CONSUMPTION

	<u>2006-07</u>	<u>2005-06</u>
1. Electricity Purchased		
(i) Units ( Kwh)	<b>15,53,430</b>	14,12,320
(ii) Amount ( Rs. )	<b>77,66,713</b>	63,45,083
(iii) Average Rate(Rs./Unit)	<b>4.98</b>	4.44

#### B. CONSUMPTION

(Units/MT Production)	<b>1101.92</b>	1141
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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. Nil (Previous Year Rs. Nil) at F.O.B. price of exports against the outgo of Rs. 0.70 lacs (Previous Year Rs. Nil).

## 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 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. The Directors are pleased to record their appreciation of the services rendered by the employees at all levels.

## ACKNOWLEDGEMENT

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

For and On behalf of the Board

Nashik, May 28, 2007

**K L Khanna**  
Chairman & Managing Director



## 25th Annual Report 2006-07

### MANAGEMENT DISCUSSION AND ANALYSIS

#### OVERVIEW

Availability of water in appropriate quality and quantity is under severe stress due to increasing demands from various sectors. In order to meet the ever increasing requirement of water due to population pressures and consequently larger requirements of drinking and irrigation water to grow more produce, Micro irrigation techniques have been well accepted to save water up to 50% to 75% of present usage and simultaneously improve yields and quality of produce.

In order to promote the Micro Irrigation Systems ( MIS ), the Central Government has sponsored an ongoing scheme which promotes MIS Systems and also provides a 50% subsidy to the farmers. In addition to the Central Government's sponsored Micro Irrigation scheme, the State Governments of Andhra Pradesh (Andhra Pradesh Micro Irrigation Project ) and Gujarat (Gujarat Green Revolution Company Ltd) are implementing Micro Irrigation projects to the tune of Rs.2500 crores and Rs. 3250 crores respectively. The Company is one of the approved suppliers to these projects. The other States like Madhya Pradesh and Chhatisgarh are also in the process of creation of such mega projects.

#### OPERATIONS / SEGMENTWISE PERFORMANCE.

The One Time Settlement Scheme sanctioned by BIFR and agreed with all secured creditors was implemented in the month of February, 2007. Therefore, the performance for the year 2006-07 remained at lower scale. However, with the overseas investment in place, the Company was able to restart its business activities in end March, 2007; consequently the benefits of new investments will be seen in the next financial year.

#### SOME 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. The Company is in the process of preparing risk assessment and minimisation procedure to identify various risks and risk management framework.

#### 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, 2007, the total number of employees of your Company was 149.

#### 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.



## 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 the provisions of the Listing Agreement and the Companies Act, 1956. The Board consists 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.

The Board meets atleast once in a quarter to consider among other business, quarterly performance of the Company and the financial results. 8 Board meetings were held during the financial year ended 31st March, 2007 on (1) 26th June, 2006 (2) 18th September, 2006 (3) 29th September, 2006 (4) 26th November, 2006 (5) 14th January, 2007 (6) 22nd January, 2007 (7) 22nd January, 2007 and (8) 31st January, 2007.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of other Directorship, Committee membership and chairmanship held by them are given below :

Name of Director	Position	Attendance particulars		Other Directorship	Committee Membership	Committee Chairmanship
		Board Meetings	Last AGM			
Mr. K.L. Khanna #	CMD – Executive	8	Yes	1	Nil	Nil
Mr. Vinayak Patil	Non Executive (Independent)	7	Yes	1	Nil	Nil
Mr. S H H Zaidi *	Nominee Director	Nil	No	Nil	Nil	Nil
Prof. P. K. @ Mukherjee	Non Executive (Independent)	Nil	No	Nil	Nil	Nil
Mr. Jayendra Shah +	Non Executive	3	N.A.	Nil	Nil	Nil
Mr. Bhoopendra Sharma ^	Non Executive (Independent)	Nil	N.A.	Nil	Nil	Nil

# Resigned and appointed as Managing Director w.e.f. January 22, 2007.

\* Resigned with w.e.f. January 14, 2007.

@ Resigned w.e.f. May 28, 2007.

+ Appointed as an Additional Director w.e.f. January 22, 2007.

^ Appointed as an Additional Director w.e.f. May 28, 2007.

### Audit Committee

The Board of Directors has constituted the Audit Committee on January 22, 2007 in compliance with the norms of Corporate Governance. The Audit Committee had one meeting during the year 2006-07. The composition of the Committee and attendance at its meeting(s) is given hereunder:

Member	Position	No. of Meetings attended
Mr. Vinayak Patil	Chairman	1
Mr. Jayendra Shah	Member	1
Mr. P K Mukherjee (ceased to be a member w.e.f May 28, 2007)	Member	Nil
Mr. Bhoopendra K Sharma (Appointed w.e.f May 28, 2007)	Member	Nil

The Company Secretary acts as the Secretary of the Audit Committee.

The broad terms of reference of the Audit Committee are as follows:-

- Review of the Company's financial reporting process and its financial statements.
- Review of accounting and financial policies and practices.
- Review of the internal control and internal audit system.
- Discussing with statutory Auditors to ascertain any area of concern.

### REMUNERATION TO DIRECTORS

The Remuneration Committee was constituted on January 22, 2007 and the Composition of Remuneration Committee is as under :

Mr. Vinayak Patil (Chairman)

Mr. Jayendra Shah (Member)

Mr. P K Mukherjee (Member – ceased to be a member w.e.f. May 28, 2007)

Mr. Bhoopendra K Sharma (Member – Appointed w.e.f. May 28, 2007)

The broad terms of reference of the Remuneration Committee include recommendation to the Board of salary, perquisites and incentives payable to the Company's Managing Director and other managerial personnel.

The Board of Directors in the meeting held on January 22, 2007 appointed Mr. K L Khanna as the Managing Director on the terms and conditions and the remuneration payable in accordance with the Managing Director Agreement dated January 17, 2007 executed with the Company. The Shareholders in the Extra Ordinary General Meeting held on May 22, 2007 have approved the remuneration payable to the Managing Director w. e. f. January 22, 2007 and the same is payable subject to the approval of the Central Government. The Company is seeking the Central



## 25th Annual Report 2006-07

Government approval. However, presently, the Chairman and Managing Director is drawing a nominal token remuneration of Re. 1 /- per month.

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

The Company does not have any stock option scheme for grant of stock options either to the Managing Director or employees.

### INVESTORS' / SHAREHOLDERS' GRIEVANCE COMMITTEE

The Investors' / Shareholders' Grievance Committee was constituted on January 22, 2007 to look into the redressal of Investors' complaints like non-receipt of Annual Reports, non-receipt of share certificates sent for transfer and other allied transactions. The composition of Investors' / Shareholders' Grievance Committee is given hereunder:

Mr. K L Khanna (Chairman)

Mr. Vinayak Patil ( Member )

Mr. Jayendra Shah ( Member)

There was only one meeting held during the year 2006-07 which was attended by all the members of the Committee.

Details of Investors' / Shareholders' complaints

Number received during the year	2
Number resolved to the satisfaction of complainant	2
Number pending redressal	Nil

The Company has attended to most of the investors' correspondence / grievances within a period of 15 days from the date of receipt of the same.

### GENERAL BODY MEETINGS

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

Year ended	Day	Date	Time	Location
31st March, 2004	Thursday	30th Sep., 2004	2.30 p.m.	302-A, Galleria, Hiranandani Gardens, Powai, Mumbai 400 076
31st March, 2005	Friday	16th Sep., 2005	2.30 p.m.	Same as above
31st March, 2006	Monday	11th Dec., 2006	12.00 noon	Plot No.H-109, MIDC Ambad, Nashik-422 010

All the resolutions set out in the respective notices of the General Meetings held in last three years were passed by the members unanimously.

### POSTAL BALLOT

In the Extra-ordinary General Meeting of the Members of the Company held on May 22, 2007 one Special Resolution passed by the Members relating to amendment to the Object Clause of Memorandum and Articles of Association would

have been needed to be passed by Postal ballot. However, Hon'ble BIFR vide order dtd. March 6, 2007 has exempted the Company from the compliance of provisions of the Companies Act, 1956 for passing resolutions through Postal Ballot. Presently, the Company does not have any proposal for postal ballot.

### DISCLOSURE

- Disclosure on materially significant Related Party transactions.

Please refer Note 27 of Schedule 'T' 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. All Board members and senior management personnel have affirmed compliance with the code.

### MEANS OF COMMUNICATION

Half yearly report sent to each household of shareholders	No
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 SEEKING APPOINTMENT / REAPPOINTMENT**

Name of Director	Mr. Vinayak Patil	Mr. Jayendra Shah	Mr. Bhoopendra Kumar Sharma
Date of Birth	19th August, 1943	7th March, 1959	18th July, 1939
Date of Appointment	9th July, 2003	22nd January, 2007	28th May, 2007
Expertise in specific functional areas	Agriculturist and social activist	Finance, Accounting, Taxation & Corporate laws	Overall business operations
Qualifications	S S C	BA, F.C.A.	PG Commerce & PG Diploma in Personnel Mgt.
List of public companies in which outside Directorship held as on March 31, 2007	1	Nil	5
Chairman / Member of the Committees of the board of the Companies on which he is a Director as on March 31, 2007	N. A.	Nil	1

**GENERAL SHAREHOLDER INFORMATION**

AGM: Date, Time and Venue	20th July, 2007 at 11.00 a.m. at H-109, MIDC Ambad, Nashik – 422 010.	
Financial calendar (Indicative)	Financial year: April 01, 2007 to March 31, 2008	
Dates of Book closure	1st Quarter results	end July, 2007
	Half-yearly results	end October, 2007
	3rd quarter results	end January, 2008
	Annual results 2007-08	end June, 2008
	16th July, 2007 to 20th July, 2007 (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'06	9.77 8.60
	May	10.76 8.90
	June	9.94 8.53
	July	9.00 7.70
	August	7.65 6.67
	September	9.29 6.70
	October	13.67 9.47
	November	20.91 13.94
	December	30.45 21.30
	January'07	31.05 24.10
	February	35.40 29.15
	March	37.50 27.00
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		

**Distribution of shareholding as on March 31, 2007**

Shareholding	Shareholders		Shares	
	Number	% to total Holders	Number	% to total Capital
Upto 500	7,815	93.74	12,40,958	13.06
501 – 1,000	324	3.89	2,80,256	2.95
1,001 - 5,000	159	1.91	3,64,750	3.84
5,001 - 10,000	21	0.25	1,56,549	1.65
10,001 – 1,00,000	12	0.14	3,00,887	3.17
1,00,001 & above	6	0.07	71,56,600	75.33
TOTAL	8,337	100.00	95,00,000	100.00

**Shareholding Pattern as on March 31, 2007**

Category	No. of shares held	%
Indian promoters, Directors and relatives	27,29,300	28.73
Banks	NIL	—
Private corporate bodies	1,24,462	1.31
Indian Public	19,67,538	20.71
NRIs/OCBs/Others	46,78,700	49.25
GRAND TOTAL	95,00,000	100.00