

EPC INDUSTRIÉ LIMITED



26TH ANNUAL REPORT 2007-2008



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	Yes Bank
CORPORATE OFFICE & WORKS	H-109, MIDC Ambad, Nashik-422 010 Tel.: (0253) 2381081/82/83 Fax: (0253) 2382975 Email: info@epcind.com
REGISTERED OFFICE	H-109, MIDC Ambad, Nashik-422 010 Tel.: (0253) 2381081/82/83 Fax: (0253) 2382975 Email: info@epcind.com
BRANCHES	Bhopal, Coimbatore, Hubli, Hyderabad, Jaipur, Raipur, 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) 6772 0421/6772 0403 Fax: (022) 2830 5683/2837 5646 Email: sharepro@vsnl

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of EPC INDUSTRIE LIMITED will be held on Wednesday, July 30, 2008 at 11.30 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, 2008, 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. Jayendra Shah 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 the authorized capital of the Company be and is hereby increased from Rs. 32,00,00,000 (Rupees Thirty Two Crores) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10 (Rupees Ten) each and 18,00,000 (Eighteen Lakhs) Preference Shares of Rs. 100 (Rupees One Hundred) each to Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 3,20,00,000 (Three Crores Twenty Lakhs) Equity Shares of Rs.10 (Rupees Ten) each and 18,00,000 (Eighteen Lakhs) Preference Shares of Rs. 100 (Rupees One Hundred) each".

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and in its place the following Clause V be substituted:

"The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 3,20,00,000 (Three Crores Twenty Lakhs) Equity Shares of Rs.10 (Rupees Ten) each and 18,00,000 (Eighteen Lakhs) Preference Shares of Rs. 100 (Rupees One Hundred) each".

"RESOLVED FURTHER THAT 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 :

"The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 3,20,00,000 (Three Crores Twenty Lakhs) Equity Shares of Rs.10 (Rupees Ten) each and 18,00,000 (Eighteen Lakhs) Preference Shares of Rs. 100 (Rupees One Hundred) each".

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 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 and other relevant authorities from time to time, to the extent applicable and such other approvals as may be necessary for the purpose and subject to such conditions as may be prescribed in according such approvals 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 include any committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to issue, offer and allot in one or more tranches, by way of private and or public placement 50,00,000 ordinary equity shares ("Equity Shares") of the face value of Rs.10 each 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".

"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, whether or not they are members of the Company to whom the Equity Shares are to be allotted on a private and or public placement basis, 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)."

By Order of the Board

Ratnakar Nawghare
Company Secretary

Mumbai, May, 30 2008

ANNEXURE TO THE NOTICE

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

Item No. 4

In order to raise the additional capital for business requirements of the Company, it is proposed to increase the authorized share capital of the Company from Rs. 32 crores to Rs. 50 crores.

For the purpose, the Board of Directors recommends the Special Resolution for increase in the Authorised Share Capital of the Company for approval of the Members. Consequential to the increase in authorized share capital, it is necessary to amend Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company.

None of the Directors are interested in the resolution.

**Item No.5**

The Company is engaged in the business of Micro Irrigation Systems such as Sprinklers and Drip and is one of the approved suppliers in the various project authorities for implementation of Micro Irrigation Projects. The volume of business in these projects is increasing resulting in need of more working capital.

Further the Company proposes to launch new products for use in Micro Irrigation Systems for which it needs an investment in specialized machineries.

For the purpose, the Company has proposed to raise additional funds by issue of 50,00,000 Equity Shares of Rs. 10 each at such premium, by way of private and or public placement as may be deem fit by the Board of Directors.

The Board recommends the Special Resolution as set out in the accompanying notice for your approval. None of the Directors of the Company are interested in the resolution.

By Order of the Board
For EPC Industrie Limited

Registered Office:
H-109, MIDC Ambad,
Nashik - 422 010

Ratnakar Nawghare
Company Secretary

Mumbai, May 30, 2008

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 and 5 is annexed hereto.
3. The Register of Members and Transfer Books of the Company will remain closed from 26th July, 2008 to 30th July, 2008, 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 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 Sixth Annual Report and Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	2007-08	(Rs. in lacs) 2006-07
Turnover	4,420.64	1,326.19
Other Income	48.62	88.64
	4,469.26	1,414.83
Profit /(Loss) Before Interest, Depreciation and Tax	(229.55)	(512.51)
Interest	199.23	47.98
Depreciation	125.10	126.68
Amortisation	—	28.15
Profit (Loss) Before exceptional items	(553.88)	(715.32)
Exceptional Items	(2.05)	4,201.08
Profit (Loss) Before Tax	(553.93)	3,485.76
Provision for Tax	7.75	1,492.66
Profit (Loss) After Tax	(563.68)	1,993.10
(Deficit) brought forward	(2,480.63)	(5,543.09)
Transfer from General Reserve	—	1,069.36
(Deficit) carried forward	(3,044.31)	(2,480.63)

OPERATIONS AND OVERVIEW

The Sales Turnover for the year under review was Rs. 44.21 Crores. The Company was discharged from the purview of Board for Industrial and Financial Reconstruction (BIFR) on 29th June 2007 and this year was the first year of its re-entry into the main stream of the business. Its performance, therefore, should be viewed in this background.

During the year, the Company was able to retrofit all its existing machinery and add new machinery to optimize the product mix between Drip and Sprinkler Irrigation segments and increase production capacity. Generally speaking, Drip Irrigation is meant for Row Crops whereas Sprinkler Irrigation is for Broadcast Crops. Your Company has been traditionally strong in both segments.

During the year, the Company was successfully able to reactivate its Dealer network and completed the targets allocated to it in the Mega Projects in Andhra Pradesh (Andhra Pradesh Micro Irrigation Project) and Gujarat (Gujarat Green Revolution Company Limited). The targets have been enhanced this year in line with Company's Business Plans. The Company is also working in Chhattisgarh (Chhattisgarh Micro Irrigation Project), which is still in the initial stages of start up and yet to be streamlined.

In addition to above, the Company has strengthened its Distributor network in rest of the country, where Micro Irrigation Systems is now widely accepted and used.

Your Company hopes to achieve normal business operations this year.

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PROCEEDINGS UNDER SICK COMPANIES (SPECIAL PROVISIONS) ACT

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has issued the Order on June 29, 2007 discharging the Company from the purview of BIFR / Sick Industrial Companies (Special Provisions) Act, 1985 consequent upon the net worth turned positive.

INSURANCE

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

DIRECTORS

In accordance with Article 123 of the Articles of Association Mr. Jayendra Shah 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 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.
- Maintaining power factor to unity.
- Machine heating time reduced using efficient heating system.
- Old Utility Equipments consuming more power have been replaced with new equipments requiring less power consumption.
- 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**

	2007-08	2006-07
1. Electricity Purchased		
(i) Units (Kwh)	29,85,490	15,53,430
(ii) Amount (Rs.)	1,47,43,557	77,66,713
(iii) Average Rate(Rs./Unit)	4.94	4.98

B. CONSUMPTION

(Units/MT Production)	1020.0	1101.92
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TECHNOLOGY ABSORPTION

The Company has improved its processes related to manufacture of its product and stated its Focus Area for improvements to be carried out in 2008-09 in accordance with ISO 9001-2000.

FOREIGN EXCHANGE EARNINGS/ OUTGO

Your Company has earned a foreign exchange of Rs. 9.11 lacs (Previous Year Rs.Nil) at F.O.B. price of exports against the outgo of Rs. 4.20 lacs (Previous Year Rs. 0.70 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 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 wish to express their grateful appreciation for the co-operation and continued support received from Bhartiya Kamgar Sena, customers, suppliers, bankers, business associates and shareholders.

For and On behalf of the Board

Mumbai, May 30, 2008

K L Khanna
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

India is set for a Green Revolution and the Government has taken up development of Agricultural infrastructure on priority.

The Government's stated thrust on Micro Irrigation may create a huge opportunity to the tune of Rs. 60,000 Crores over a period of a decade, if it accepts the report of the Task Force on Micro Irrigation.

Notwithstanding this decision, the Mega Projects in Andhra Pradesh (Andhra Pradesh Micro Irrigation Project) and Gujarat (Gujarat Green Revolution Company Limited), which have been averaging investment of Rs. 216 Crores and Rs. 146 Crores per year, have set targets of Rs. 500 Crores and Rs. 550 Crores respectively to be achieved in 2008-09, which is an increase of 290%. The Central Government has budgeted a subsidy for the rest of country of approx. Rs. 500 Crores this year, which translates to another Rs. 1,000 Crores of business for Micro Irrigation Systems. Thus the total demand generated for Micro Irrigation this year is estimated at Rs. 2,050 Crores, which is much more than the Industry capacity.

The demand of water by the Agriculture Sector will grow rapidly on account of growing need of agriculture and horticulture produce and raw materials for various industries. Simultaneously the demand for water for other Sectors, including drinking water, industrial water, etc. would grow rapidly, thus impacting the share of the water allotted to Agriculture Sector. It is generally estimated that the share of the water for Agriculture Sector will fall from current 84% to 69% by the year 2025. In this scenario, the demand for Micro Irrigation Systems is bound to grow at a very fast rate and demand will continue to outpace supply.

OPERATIONS / SEGMENTWISE PERFORMANCE.

In addition to Micro Irrigation Systems consisting of Drip and Sprinkler Irrigation, the Company manufactures specialized pipes for Water and Gas Distribution Systems and Industry. The segment wise performance for Micro Irrigation Systems is stated in Schedule 'Q' of the Annual Accounts.

SOME RISKS AND CONCERNS

The key risk in the business is the delay in implementation of Mega Projects and release of subsidy by the Central Government. Other than Mega Projects, the risk for any delays in receiving subsidy is discounted by the Company's Dealers, who pay it upfront to the Company. In case of Mega Projects, the risk factor is considerably reduced due to commitments made by the State Governments to the farmers and the strong farmer's lobby, which ensures that the funds flow regularly.

The Government's pro farmer attitude is apparent by the recent waiver of farmer's loan by the Government. This will give a boost to demand for Micro Irrigation Systems as now the farmer (without the loan to repay) will pay their portion of the cost of the Micro Irrigation Systems to the Project Authorities.

Seasonality is another 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 human resource of EPC is one of its biggest assets. In order to achieve overall development of its people and to ensure greater accountability and responsibility continuous training with respect to work and other areas is imparted. The opportunities are created to encourage employees to develop multi functional skills and gear so as to meet the challenging assignments in the Company. The industrial relations continue to be very cordial.

As on March 31, 2008, the total number of employees of your Company was 219.

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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REPORT ON CORPORATE GOVERNANCE

The Company believes in and practices good Corporate Governance. Transparency, accountability and responsibility are the essential character and guiding principles for all decisions, transactions and policy matters.

The good Corporate Governance practices have further guided the Company to not only work towards the enhancement of shareholder value by also towards overall betterment of all stakeholders viz. shareholders, creditors, customers and employees. 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. 5 Board meetings were held during the financial year ended 31st March, 2008 on (1) 28th May, 2007 (2) 24th July, 2007 (3) 29th October, 2007 (4) 17th January, 2008 and (5) 29th January, 2008.

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	5	Yes	1	Nil	Nil
Mr. Vinayak Patil	Non-Executive (Independent)	4	Yes	1	Nil	Nil
Mr. Jayendra Shah	Non-Executive	5	Nil.	Nil	Nil	Nil
Mr. Bhoopendra Sharma	Non-Executive (Independent)	3	Nil.	1	Nil	Nil

AUDIT COMMITTEE

The Board of Directors has constituted the Audit Committee in compliance with the norms of Corporate Governance.

The Audit Committee had four meetings during the year 2007-08. The composition of the Committee and attendance at its meeting(s) is given hereunder:

Member	Position	No. of Meetings attended
Mr. Vinayak Patil	Chairman	3
Mr. Jayendra Shah	Member	4
Mr. Bhoopendra K Sharma	Member	3

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.

INVESTORS' / SHAREHOLDERS' GRIEVANCE COMMITTEE

The Investors' / Shareholders' Grievance Committee was constituted 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 were four meetings held during the year 2007-08 which were attended by all the members of the Committee.

Details of Investors' / Shareholders' complaints

Number received during the year	6
Number resolved to the satisfaction of complainant	6
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.

REMUNERATION TO DIRECTORS

Managing Director

The detail of remuneration paid/payable to the Managing Director is as follows:

(Rs. in Lacs)

Name	Salary	Perquisites	Retirement Benefits
Mr. K L Khanna	30.00	0.37	4.00

The Composition of Remuneration Committee is as under :

Mr. Vinayak Patil (Chairman)
Mr. Jayendra Shah (Member)
Mr. Bhoopendra K Sharma (Member)



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 and the Central Government have approved the remuneration payable to the Managing Director.

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

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

GENERAL BODY MEETINGS

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

Year ended	Day	Date	Time	Location
31st March, 2005	Friday	16th Sep., 2005	2.30 p.m.	302-A, Galleria, Hiranandani Gardens, Powai, Mumbai 400 076
31st March, 2006	Monday	11th Dec., 2006	12.00 noon	Plot No. H-109, MIDC Ambad, Nashik-422 010
31st March, 2007	Friday	20th Jul., 2007	11.00 a.m.	Plot No.H-109, MIDC Ambad, Nashik-422 010

In the Extra- Ordinary General Meeting of the Members of the Company held on May 22, 2007, 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 dated March 6, 2007 had 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 No. 21 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. 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	The results of the Company are published in the newspapers having wide circulation.
Any website, where displayed	Same as above
Whether it also displays official news releases	The Company has no website.
Presentations made to Institutional Investors or to the analysts	No
Newspapers in which results are normally published	No
Whether MD & A is part of Annual Report or not	The Free Press Journal / Business Standard/Navshakti
	Yes

PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT

Name of Director	Mr. Jayendra Shah
Date of Birth	7th March, 1959
Date of Appointment	22nd January, 2007
Expertise in specific functional areas	Finance, Accounting, Taxation & Corporate laws
Qualifications	BA, F.C.A.
List of public companies in which out-side Directorship held as on March 31, 2008	Nil
Chairman / Member of the Committees of the board of the Companies on which he is a Director as on March 31, 2008	Nil

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GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	30th July, 2008 at 11.30 a.m. at H-109, MIDC Ambad, Nashik - 422 010.
Financial calendar (Indicative)	Financial year: April 01, 2008 to March 31, 2009
	1st Quarter results end July, 2008
	Half-yearly results end October, 2008
	3rd quarter results end January, 2009
	Annual results end May, 2008-09 2009
Dates of Book closure	26th July, 2008 to 30th July, 2008 (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

Distribution of shareholding as on March 31, 2008

Shareholding	Shareholders		Shares	
	Number	% to total Holders	Number	% to total Capital
Upto 500	7,358	93.92	11,60,804	12.22
501 - 1,000	288	3.68	2,50,701	2.64
1,001 - 5,000	141	1.80	3,25,738	3.43
5,001 - 10,000	26	0.33	1,96,684	2.07
10,001 - 1,00,000	15	0.19	4,09,473	4.31
1,00,001 & above	6	0.08	71,56,600	75.33
TOTAL	7,834	100.00	95,00,000	100.00

Shareholding Pattern as on March 31, 2008

Category	No. of shares held	%
Indian promoters, Directors and relatives	27,29,300	28.73
Banks	200	0.00
Private corporate bodies	1,68,014	1.77
Indian Public	19,33,706	20.35
NRIs/OCBs/Others	46,68,780	49.15
GRAND TOTAL	95,00,000	100.00

Market Price: (Rupees)		High	Low
	April'07	30.70	26.15
	May	32.60	27.05
	June	42.70	31.30
	July	49.65	39.80
	August	48.20	40.00
	September	50.25	42.65
	October	45.40	38.50
	November	44.95	36.05
	December	64.90	45.80
	January'08	80.95	66.15
	February	65.80	53.20
	March	53.20	35.05
Registrars and Transfer Agents	Sharepro Services Satam Estate, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai-400 099. Tel : (022) 67720421/ 67720403 Fax : (022) 2830 5683 / 5646 Email : sharepro@vsnl.com		

Dematerialisation of shares	As on March 31, 2008, out of the total paid up Share Capital, 85.38% 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 at H-109, MIDC Ambad, Nashik 422010
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 : 022-67720421
Registered office :	H-109, MIDC Ambad, Nashik - 422 010 Tel: 0253 2381081/82 Fax: 0253 2382975 Email: info@epcind.com
Non mandatory requirements	The Company has presently not adopted the non-mandatory requirements given in Annexure 3 of the Corporate Governance Code except for the Remuneration Committee.



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO

THE MEMBERS OF

EPC INDUSTRIE LIMITED,

We have examined the compliance of condition of Corporate Governance by EPC Industrie Ltd. for the year ended 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and

according to the explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mukadam & Associates
Chartered Accountants

I A Mukadam
Partner

Membership No. 16865

Mumbai, Dated: 30th May, 2008

AUDITOR'S REPORT TO THE MEMBERS OF EPC INDUSTRIE LIMITED.

We have audited the attached Balance Sheet of **EPC Industrie Limited** as at 31st March, 2008 and the Profit and Loss Accounts and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Reports) (Amendment) Order, 2004 (together the 'order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2008 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i). in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 and
- (ii). in the case of the Profit and Loss account, of the loss for the year ended on that date.
- (iii). in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For Mukadam & Associates
Chartered Accountants

I. A. Mukadam
(Partner)

Membership No. 16865

Place: Mumbai
Dated: 30th May, 2008