

# **EPC INDUSTRIÉ LIMITED**



**27TH ANNUAL REPORT  
2008-2009**

**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: rvnawghare@epcind.com

**REGISTERED OFFICE**

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

**BRANCHES**

Ahmednagar, Akola, Bhopal, Coimbatore, Hubli, Hyderabad, Jaipur, Raipur, Sangli, Thrissur and Vadodara

**REGISTRARS & TRANSFER AGENTS**

Sharepro Services (India) Pvt. Ltd.  
 13 AB, Samhita Warehousing Complex,  
 2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
 Off Andheri Kurla Road, Sakinaka,  
 Andheri (East),  
 Mumbai-400 072.  
 Tel : (022) 66720421/67720403  
 Fax : (022) 2830 5683/5646



NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of EPC INDUSTRIE LIMITED will be held on Thursday, July 30, 2009 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 31<sup>st</sup> March, 2009, 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. Bhoopendra K Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS

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 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required in granting such approvals, consent of the members be and is hereby accorded for the re-appointment of Mr. Krishen Lal Khanna with effect from 30<sup>th</sup> December, 2009 till 29<sup>th</sup> November, 2011 on the same remuneration and perquisites and as per the terms and conditions of Managing Director Agreement dated 17<sup>th</sup> January, 2007 to be renewed for a further period till the expiry of his new term of office and as detailed below:

Salary	Rs.30.00 lacs per annum.
Club fees	Reimbursement of annual membership fees for any one recreational club.
Provision of Car	Company maintained car with driver for use of the Company's business.
Gratuity & Superannuation	Gratuity payable in accordance with the provisions of the Payment of Gratuity Act, 1972 and superannuation payable as per the Company rules.
Incentives	In addition to the above remuneration, the Managing Director shall be entitled to such incentives as may be approved by the board from time to time, subject to achievement of the performance based on the benchmarks set out in the Annual Business Plans.

**"RESOLVED FURTHER THAT** subject to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the companies Act, 1956, the remuneration proposed as aforesaid, be paid as minimum remuneration, notwithstanding that in any financial year the Company has made no profits or the profits made are inadequate."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution".

By Order of the Board  
Ratnakar Nawghare  
Company Secretary

Mumbai,  
May 30, 2009

#### ANNEXURE TO THE NOTICE

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

##### Item No.4

The present term of Mr. K L Khanna, Managing Director is due to expire on 29<sup>th</sup> December, 2009. Mr. K L Khanna has a rich experience of over 38 years in the Micro Irrigation and Industrial Piping business.

He steered the Company during its initial growth from a very small scale operation to a large organization. He continued to head it when due to industry decline the Company turned sick and has successfully negotiated its financial restructuring and revival.

Bearing in mind the above, the Remuneration Committee and the Board consider it essential to continue to secure his leadership of the Company and has reappointed him as a Non rotational Director and Managing Director for a further period of 2 years with effect from 30<sup>th</sup> December, 2009 to 29<sup>th</sup> December, 2011 on the same remuneration, subject to the approval of the members in the Annual General Meeting and the necessary approval from the Central Government pursuant to the provisions of Schedule XIII and any other applicable provisions of the Companies Act, 1956.

The contents of this explanatory note may be treated as the abstract under Section 302 of the Companies Act, 1956.

The Board of Directors recommends the Special Resolution at Item No.4 of the Notice, for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the resolution, except Mr. K L Khanna.

#### 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 Register of Members and Transfer Books of the Company will remain closed from 23<sup>rd</sup> July, 2009 to 30<sup>th</sup> July, 2009, both days inclusive.
3. 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.
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. Get the shares transferred in joint names, if shares are held in single name to avoid inconvenience;
  - d. Bring their copy of the Annual Report with them at the Annual General Meeting;
  - e. 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.

## 27th Annual Report 2008-09

**DIRECTORS' REPORT**

Your Directors are pleased to present the Twenty Seventh Annual Report and Statement of Accounts for the year ended 31<sup>st</sup> March, 2009.

**FINANCIAL RESULTS**

	2008-09	(Rs. in lacs) 2007-08
Turnover	6,230.60	4,343.40
Other Income	121.87	48.62
	<u>6,352.47</u>	<u>4,392.02</u>
Profit/(Loss) Before Interest, Depreciation and Tax	198.34	(193.09)
Interest	369.65	235.68
Depreciation	144.26	125.11
Profit/(Loss) Before exceptional items	(315.57)	(553.88)
Exceptional Items	(4.48)	(2.05)
Profit/(Loss) Before Tax	(320.05)	(555.93)
Provision for Tax	168.71	(7.75)
Profit/(Loss) After Tax	(151.34)	(563.68)
(Deficit) brought forward	(3,044.31)	(2,480.63)
Transfer from General Reserve	—	—
(Deficit) carried forward	(3,195.65)	(3,044.31)

**OPERATIONS AND OVERVIEW**

The sales turnover for the year under review was Rs. 62.31 Crores as compared to Rs. 43.43 Crores for the previous year.

The Company was able to raise limited working capital, which affected its operations. Further, during first half of the financial year, there were shortages of raw material and dramatic rise in their prices due to spiraling oil prices. This resulted in loss in the first half of the year. The Company has made profits in second half of the year and both 3<sup>rd</sup> and 4<sup>th</sup> quarters have been profitable.

During the year, the Company added new machinery for Drip Irrigation Systems and enhanced its installed capacity.

In addition to its existing markets, the Company continues to work successfully in the Mega Projects of Andhra Pradesh Micro Irrigation Project (APMIP) and Gujarat Green Revolution Company Limited (GGRCL).

**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. Bhoopendra K Sharma retire by rotation and, being eligible, offers himself for reappointment.

The Board of Directors has proposed to reappoint Mr. K L Khanna as the Managing Director of the Company for a further period of 2 years with effect from 30<sup>th</sup> December, 2009 i.e. from the expiry of his present term on the same remuneration. The reappointment of Mr. K L Khanna is subject to the approval of members at the forthcoming Annual

General Meeting. The Director recommends his reappointment.

**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.
- New Equipments have been added to the existing machineries to optimize the production capacity.
- 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**

	2008-09	2007-08
1. Electricity Purchased		
(i) Units ( Kwh)	39,70,970	29,85,490
(ii) Amount ( Rs. )	1,93,52,846	1,47,43,557
(iii) Average Rate(Rs./Unit)	4.87	4.94

**B. CONSUMPTION**

(Units/MT Production)	1064.00	1020.0
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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. NIL ( Previous Year Rs. 9.11 lacs ) at F.O.B. price of exports against the outgo of Rs. 52.06 lacs (Previous Year Rs. 4.20 lacs).

### PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) rules, 1975, as amended, regarding employees is given in "Annexure A" to the Directors Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to

give a true and fair view of the state of affairs of the Company at the end of the financial 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

Your Directors take this opportunity to place on record their gratitude 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

**K L Khanna**

Mumbai, May 30, 2009

Chairman & Managing Director

### Annexure "A" to Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Years)	Designation/ Nature of duties	Remuneration paid (Rs. Lacs)	Qualification	Total Experience (Years)	Date of commencement of employment	Last employment held/ Designation on period for which post held
1.	Mr.K.L.Khanna	69	Chairman & Managing Director	34.21	B.Tech (Hons) Chemical Engineering	38	19th January, 1984	Knk Chemical Engineers Pvt. Ltd.

### Notes:

1. Remuneration comprises salary, allowances, monetary value of perquisites and the Company's contribution to Provident Fund, Superannuation and Gratuity Fund.
2. The nature of employment of the Managing Director is contractual.

For and On behalf of the Board

**K L Khanna**

Mumbai, May 30, 2009

Chairman & Managing Director



## 27th Annual Report 2008-09

**MANAGEMENT DISCUSSION AND ANALYSIS****OVERVIEW**

The Central Government has realized the usefulness of Micro Irrigation Systems (MIS) in extending water resources, increasing rural incomes, agriculture productivity and actual production hence it is implementing the recommendations made by the Task Force on Micro Irrigation appointed by Government of India in 2003.

The Government continues to provide financial assistance to the farmers at 50% of the cost of MIS as subsidy, which partly offsets the cost of VAT, Octroi, Import Duty on the plastic materials used to manufacture MIS and partly to incentivize the farmers. Of this, 40% is the share of the Central Government and 10% of the respective State Governments. Central Government has also allowed States to raise their share as loans from National Bank for Agricultural and Rural Development (NABARD). The outlay of the Central Government was Rs. 200 Crores in VIII Five Year Plan, which has increased to Rs. 4,500 Crores in XI Five Year Plan (2007-12).

This outlay translates to business of Rs. 11,250 Crores in the plan period. Of which, Rs. 2,500 Crores has been achieved by end Mar 2009 and Rs. 8,750 Crores are available to be achieved in next 3 years.

Governments of Andhra Pradesh, Gujarat and Rajasthan have started a Pressurized Irrigation Network System (PINS) in Canal Command areas. This stores the water delivered by canals, which subsequently delivered to fields by Piping Network for use for MIS. This programme has just started and is expected to gain momentum in the coming years.

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 pricing of raw material required for Micro Irrigation Industry is directly dependent on the fluctuation in Oil and

Ethylene prices. The year 2008-09 has witnessed dramatic rise and fall in the oil prices resulting into immediate impact on the raw material prices.

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 Government's waiver of farmer's loan has provided tremendous 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.

The continuing healthy growth of agriculture, ambitious mega micro irrigation projects of Gujarat and Andhra Pradesh and the increasing demand for micro irrigation systems in the other markets will provide ample opportunities for growth of the business.

**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. During the year under review, the Company has reached the wage Settlement with the Employees Union for a period of 4 years.

As on March 31, 2009, the total number of employees of your Company was 242.

**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 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 31<sup>st</sup> March, 2009 on (1) 30<sup>th</sup> May, 2008 (2) 30<sup>th</sup> July, 2008 (3) 21<sup>st</sup> August, 2008 (4) 24<sup>th</sup> October, 2008 and (5) 31<sup>st</sup> January, 2009.

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	Yes	2	1	Nil
Mr. Bhoopendra Sharma	Non-Executive (Independent)	2	Yes	Nil	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 2008-09. The composition of the Committee and attendance at its meeting(s) is given hereunder:

Member	Position	No. of Meetings attended
Mr. Vinayak Patil	Chairman	4
Mr. Jayendra Shah	Member	4
Mr. Bhoopendra K Sharma	Member	2

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

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	0.38	3.83

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 for salary, perquisites and incentives payable to the Company's Managing Director and other managerial personnel.

Mr. K L Khanna's term as Managing Director is valid upto 29<sup>th</sup> December, 2009. The Board of Directors in the meeting held on May 30, 2009 has reappointed Mr. K L Khanna for a period of two years from December 30, 2009 as per the revised remuneration as proposed in the Item No. 4 of the Annual General Meeting Notice and which is subject to approval of the Shareholders and the Central Government.

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

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 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)

## 27th Annual Report 2008-09

There were four meetings held during the year 2008-09 which was attended by all the members of the Committee.

Details of Investors' / Shareholders' complaints	
Number received during the year	4
Number resolved to the satisfaction of complainant	4
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, 2006	Monday 11th Dec., 2006	12.00 noon	Plot No. H-109, MIDC Ambad, Nashik-422 010
31st March, 2007	Friday 20th July, 2007	11.00 a.m.	-do-
31st March, 2008	Wednesday 30th July, 2008	11.30 a.m.	-do-

b) No resolutions requiring Postal Ballot as recommended under Clause 49 of the Listing Agreement have been placed for shareholders' approval at the meeting.

The Company has passed following Special Resolutions in previous 3 Annual General Meetings:

### 2008

- For increase in Authorised Share Capital and amendment in Capital Clause and Article 3 of the Articles of Association.
- For issue of shares under Section 81(1A) of the Companies Act, 1956.

### 2007

- Amendment in the earlier AGM Resolution authorizing to issue shares to Promoters.

### 2006

- For issue of shares under Section 81(1A) of the Companies Act, 1956.
- For raising funds to meet capital expenditure and working capital requirements.
- For increase in Authorised Share Capital and amendment in Capital Clause and Article 3 of the Articles of Association.

### DISCLOSURE

- Disclosure on materially significant Related Party transactions.**

Please refer Note No. 22 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  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 / Business Standard/Navshakti
Whether MD & A is part of Annual Report or not	Yes

### PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT

Name of Director	Mr. Bhoopendra Sharma	Mr. Krishen Lal Khanna
Date of Birth	18th July, 1939	19th October, 1940
Date of Appointment	28th May, 2007	19th January, 1984
Expertise in specific functional areas	Expertise in overall business operations including global operations	Expertise in overall business operations
Qualifications	Post graduate in commerce and PG Diploma in Personnel Management	B.Tech (Hons.) Chemical Engineering
List of public companies in which out-side Directorship held as on March 31, 2009	Nil	1
Chairman / Member of the Committees of the board of the Companies on which he is a Director as on March 31, 2009	Nil	Nil





## GENERAL SHAREHOLDER INFORMATION

AGM: Date, Time and Venue	30th July, 2009 at 11.00 a.m. at H-109, MIDC Ambad, Nashik - 422 010.
Financial calendar (Indicative)	Financial year: April 01, 2009 to March 31, 2010
	1st Quarter results end July, 2009
	Half-yearly results end October, 2009
	3rd quarter results end January, 2010
	Annual results end May, 2009-10
Dates of Book closure	23rd July, 2009 to 30th July, 2009 (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
Share Transfer System	All the transfers received are processed and approved by the Share Transfer Committee which normally meets twice in a month.
Registrars and Transfer Agents and address for correspondence	Sharepro Services (India) Pvt. Ltd. 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072. Tel : (022) 66720421/ 67720403 Fax : (022) 2830 5683/5646 Email : sharepro@vsnl.com

Market Price: (Rupees)		High	Low
	April' 08	47.25	37.20
	May	39.00	30.35
	June	39.00	28.05
	July	32.75	22.20
	August	33.85	22.05
	September	33.50	27.00
	October	28.95	21.25
	November	24.90	20.55
	December	24.50	18.15
	January'09	24.95	20.70
	February	22.70	18.70
	March	25.95	17.30

## Distribution of shareholding as on March 31, 2009

Shareholding	Shareholders		Shares	
	Number	% to total Holders	Number	% to total Capital
Upto 500	7,269	93.95	11,38,575	11.99
501 - 1,000	274	3.54	2,38,746	2.51
1,001 - 5,000	146	1.89	3,39,035	3.57
5,001 - 10,000	25	0.32	1,84,053	1.94
10,001 - 1,00,000	17	0.22	4,42,991	4.66
1,00,001 & above	6	0.08	71,56,600	75.33
TOTAL	7,737	100.00	95,00,000	100.00

## Shareholding Pattern as on March 31, 2009

Category	No. of shares held	%
Indian promoters, Directors and relatives	27,29,300	28.73
Banks	200	0.00
Private corporate bodies	1,43,871	1.51
Indian Public	19,62,091	20.65
NRIs/OCBs/Others	46,64,538	49.10
GRAND TOTAL	95,00,000	100.00

Dematerialisation of shares	As on March 31, 2009, out of the total paid up Share Capital, 85.80% 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 422 010
Registered office :	H-109, MIDC Ambad, Nashik - 422 010 Tel: 0253 2381081/82 Fax: 0253 2382975 Email: rvnawghare@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.

## 27th Annual Report 2008-09

**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, 2009, 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, 2009

**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, 2009** 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, 2009 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, 2009 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, 2009 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, 2009