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<b>NAME</b>	<b>EPC INDUSTRIE LIMITED</b>
<b>BOARD OF DIRECTORS</b>	Ashok Sharma – Managing Director S. Durgashankar Sangeeta Prasad Nikhilesh Panchal Anand Daga Vinayak Patil
<b>COMPANY SECRETARY</b>	Ratnakar Nawghare
<b>AUDITORS</b>	Deloitte Haskins & Sells, Chartered Accountants
<b>BANKERS</b>	YES Bank Ltd. HDFC Bank Ltd.
<b>CORPORATE OFFICE &amp; WORKS</b>	Plot No. H-109, MIDC, Ambad, Nashik-422 010. Tel: (0253) 2381081/82/83, 6642000 Fax: (0253) 2382975 CIN: L25200MH1981PLC025731 E Mail : rvnawghare@epcind.com
<b>REGISTERED OFFICE</b>	Plot No. H-109, MIDC, Ambad, Nashik-422 010. Tel: (0253) 2381081/82/83, 6642000 Fax: (0253) 2382975 E Mail : rvnawghare@epcind.com
<b>BRANCHES</b>	Akola, Ananthapur, Bhubaneswar, Coimbatore, Dharwad, Himmat Nagar, Hyderabad, Indore, Jaipur, Jodhpur, Junagadh, Mandi, Nagpur, Patna, Pune, Raipur, Rajkot, Ranchi, Thrissur, Vadodara
<b>REGISTRARS &amp; TRANSFER AGENTS</b>	Karvy Computershare Private Limited 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind BSE Building, Fort, Mumbai 400001 Tel.: 022-66235412 / 66235454

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## NOTICE

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of EPC INDUSTRIE LIMITED will be held at the Registered Office of the Company at Plot No. H-109, MIDC Ambad, Nashik - 422 010 on Friday, July 29, 2016, at 2.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss and Cash Flow for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Sangeeta Prasad (DIN: 02791944) who retires by rotation and, being eligible, offers herself for re-appointment.
3. **To consider and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:**

"RESOLVED THAT pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee, Messrs Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration Number 117364W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM"), until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2021 (subject to ratification of the appointment by the Members at every AGM held after this AGM), at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Act, the applicable provisions of the Articles of Association of the Company, recommendations of the Nomination and Remuneration Committee of the Company and such other approvals, permissions and sanctions, if and as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Shareholders be and is hereby accorded to the appointment of Mr. Ashok Sharma (DIN: 02766679) as the Managing Director of the Company with effect from 21<sup>st</sup> March, 2016 for the remaining period of his appointment till 30<sup>th</sup> September, 2017, on a consolidated remuneration of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum, the details of which are given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration payable to Mr. Ashok Sharma shall be as decided above.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and to sign and execute all the necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

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

"RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. Karvy Computershare Private Limited, 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind BSE Building, Fort, Mumbai 400001 or any other its office, instead of the Registered Office of the Company.

FURTHER RESOLVED THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

6. **To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148(3), of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), Messrs Shilpa and Company, Cost Accountants, Nashik appointed as Cost Auditor by the Board of Directors of the Company, for conducting the cost audit of the Company for the Financial Year 2016-17, if applicable, at a remuneration of Rs. 1,50,000/- (Rupees One Lac Fifty Thousand Only) plus service tax and out of pocket expenses be and is hereby approved."

By Order of the Board

**Ratnakar Nawghare**  
Company Secretary

### Registered Office:

Plot No.H-109, MIDC Ambad,  
Nashik- 422 010  
Tel: (0253) 2381081/82/83, 6642000  
CIN: L25200MH1981PLC025731  
e-mail: info@epcind.com  
website: www.epcmahindra.com  
27<sup>th</sup> May, 2016

### NOTES

- A. Explanatory Statement as required under section 102(1) of the Companies Act, 2013 is annexed hereto.
- B. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- C. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- D. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited, 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind BSE Building, Fort, Mumbai 400001.
- E. The Register of Members and Transfer Books of the Company will be closed from 26<sup>th</sup> July, 2016 to 29<sup>th</sup> July, 2016 (both days inclusive).
- F. Members can avail the facility of the nomination in respect of the Shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Karvy Computershare Private Limited at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
- G. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued Circulars *inter alia* stating that the service of notice/ documents to the Members can be made in electronic mode. In support of the Green Initiative, your Company sent a Circular dated 16<sup>th</sup> May, 2011 by e-mail to those Members who have registered their e-mail address with their Depository Participant and made available to the Company by the Depositories, informing them about the Company's proposal to send the documents like Notice calling the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc. from the Financial Year ended 31<sup>st</sup> March, 2011 onwards and other communication, in electronic mode. These Members were also given an option to continue to receive the documents in Physical Form. Accordingly, the Annual Report for the year 2015-16, Notice for the Annual General Meeting, etc. are being sent in electronic mode to such Members of the Company whose e-mail addresses are available with the Company and who have not opted to receive the same in physical form.

Members are requested to support this Green Initiative by registering/updating their e-mail address, with

the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Computershare Private Limited (in case of Shares held in physical form).

- H. Members are requested to:
  - i) intimate to the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited, at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - ii) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialised form;
  - iii) quote their folio numbers/Client ID/DP ID in all correspondence; and
  - iv) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
- I. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member, as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- J. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- K. Electronic copy of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- L. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding to be provided under the Listing Agreement are provided in the Report on Corporate Governance forming part of the Annual Report.

None of the Directors of the Company seeking appointment or reappointment are inter-se related to each other.

M. Members may also note that the Notice of the 34<sup>th</sup> Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website [www.epcmahindra.com](http://www.epcmahindra.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Nashik, for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post at free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [rvnawghare@epcind.com](mailto:rvnawghare@epcind.com)

#### N. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 34<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]

- (i) Open email and open PDF file viz; "EPC Industrié-Voting.pdf". The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active e-Voting Cycle.
- (vii) Select "EVEN" of EPC Industrié Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [nitinpc1@gmail.com](mailto:nitinpc1@gmail.com) or [evoting@epcind.com](mailto:evoting@epcind.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The e-voting period commences on 26<sup>th</sup> July, 2016 (9:00 a.m.) and ends on 28<sup>th</sup> July, 2016 (5:00 p.m.). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22<sup>nd</sup> July, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> July, 2016.



- VI. Mr. Nitin Choudhari – Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VIII. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.epcmahindra.com](http://www.epcmahindra.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

- O. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Sundays up to and including the date of the Annual General Meeting of the Company.

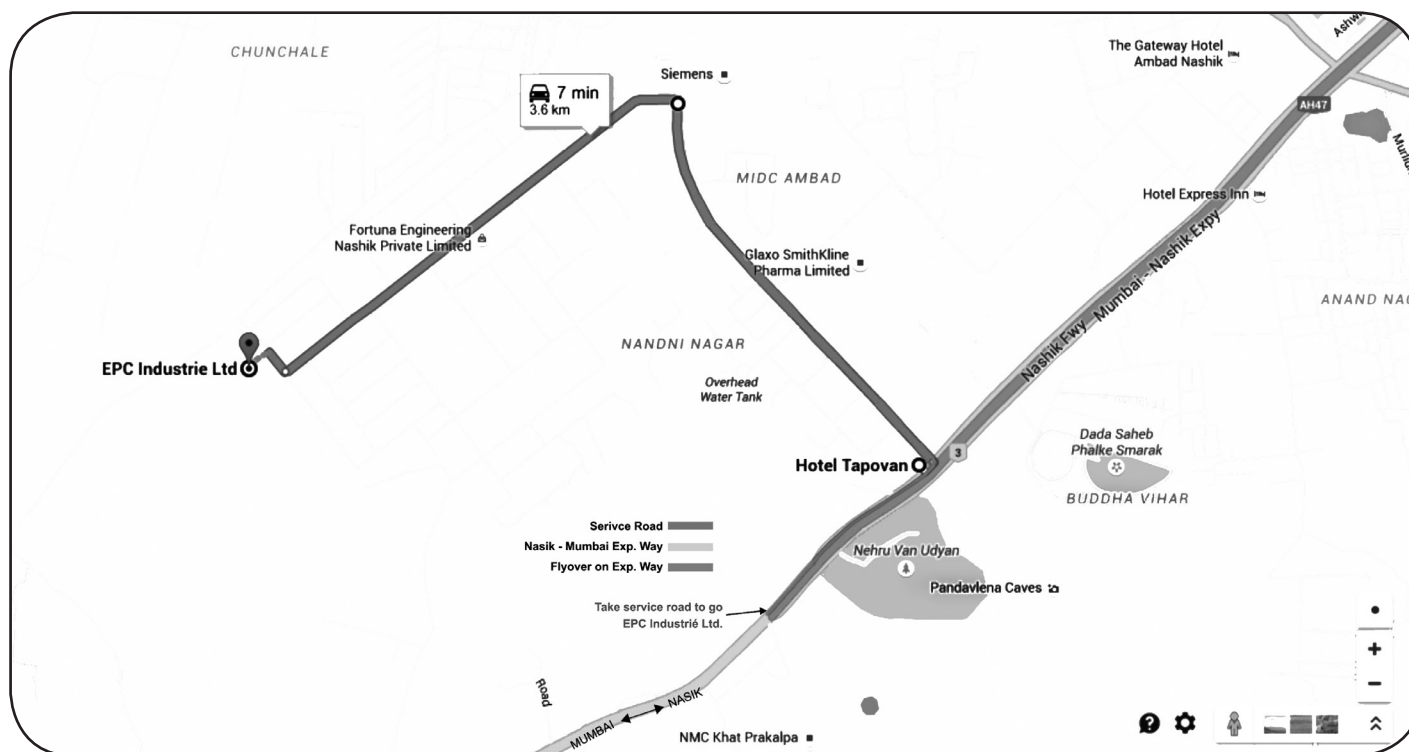
By Order of the Board

**Ratnakar Nawghare**  
Company Secretary

**Registered Office:**

Plot No.H-109, MIDC Ambad,  
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e-mail: [info@epcind.com](mailto:info@epcind.com)  
[www.epcmahindra.com](http://www.epcmahindra.com)  
27<sup>th</sup> May, 2016

### Route Map to the Venue of the AGM



## **Explanatory Statement under Section 102(1) of the Companies Act, 2013**

### **Item No. 4**

The Board of Directors of the Company, on 21<sup>st</sup> March, 2016 on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Ashok Sharma as the Managing Director of the Company, with effect from 21<sup>st</sup> March, 2016 for the remaining period of his appointment till 30<sup>th</sup> September, 2017, on a consolidated remuneration of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum.

Mr. Ashok Sharma has a Bachelor's Degree in Mechanical Engineering from Victoria Jubilee Technical Institute, Mumbai and has done his Masters in Management Studies from the Jamnalal Bajaj Institute, Mumbai.

He joined the Farm Equipment Sector of Mahindra and Mahindra Ltd. in 1998 as General Manager Sales and since then has made significant contributions in the areas of Quality, Strategic Planning and Business Excellence. More recently, he has played a key role in expanding and growing Mahindra's Powerol and Agri businesses.

He is currently the President and Chief Executive of the rapidly growing portfolio of Agri Businesses, the Construction Equipment business as well as the entire Automotive and Farm equipment businesses of Mahindra & Mahindra Limited in Africa and South Asian markets of Sri Lanka, Nepal, Bangladesh and Bhutan.

In a career spanning over 29 years, Mr. Sharma has rich experience in various functions like Sales, Marketing, strategic planning, business planning and has held various general management functions.

Mr. Sharma is also a Managing Director of Mahindra Agri Solutions Limited besides other directorship in the following companies:

- i) Mahindra HZPC Private Limited
- ii) Mahindra UNIVIG Private Limited

Mr. Sharma is the member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Mr. Sharma does not hold any shares in the Company.

The Directors recommend the passing of the Resolution at Item No. 4 as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Ashok Sharma are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution, except to the extent of their shareholding, if any, in the Company.

### **Item No. 5**

The Company had appointed M/s. Sharepro Services (India) Private Limited (hereinafter referred to as "Sharepro") as its Registrar and Transfer Agent (hereinafter referred to as "R&TA") in the year 2005.

The Securities and Exchange Board of India ("SEBI") had vide its Ex-Parte Ad Interim Order No. WTM/RKA/MIRSD2/41/2016 dated 22<sup>nd</sup> March, 2016 inter alia advised clients of Sharepro to carry out/switchover their activities related to registrar to an issue and share transfer agent, either in-house or through another registrar to an issue and share transfer agent registered with SEBI.

Accordingly, the Company, has approved the appointment of Karvy Computershare Private Limited ("Karvy") having its Office at Karvy Selenium Tower B, Plot Number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032, as the new R&TA of the Company in place of Sharepro.

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the new "R&TA" viz, Karvy Computershare Private Limited, 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Mumbai, Maharashtra 400 023 or its any other office.

A copy of the proposed resolution is being forwarded in advance to the Ministry of Corporate Affairs, Mumbai, as required under the said Section 94(1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed vide Item No. 5 to be passed as Special Resolution by the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution, except to the extent of their shareholding, if any, in the Company.

### **Item No. 6**

Messrs Shilpa and Company, Cost Accountants was appointed as Cost Accountants for the Financial Year 2016-17 by the Board of Directors of the Company. In accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditors shall be subject to the approval of Shareholders. The fees payable to Messrs Shilpa and Company would be Rs. 1,50,000 p.a. The Board recommends remuneration payable to Messrs Shilpa and Company, Cost Accountants and for passing of the Ordinary Resolution set out at Item No. 5 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution except to the extent of their shareholding, if any, in the Company.

**By Order of the Board**

**Ratnakar Nawghare**  
Company Secretary

### **Registered Office:**

Plot No.H-109, MIDC Ambad,  
Nashik- 422 010  
Tel: (0253) 2381081/82/83, 6642000  
CIN: L25200MH1981PLC025731  
e-mail: info@epcind.com  
website: www.epcmahindra.com  
27<sup>th</sup> May, 2016

## 34th Annual Report 2015-16

### DIRECTORS' REPORT

Your Directors are pleased to present the 34<sup>th</sup> Annual Report on business and operations of your Company alongwith the audited financial statements and accounts for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	For the Year ended 31 <sup>st</sup> March, 2016	For the Year ended 31 <sup>st</sup> March, 2015
Turnover (Net)	20,478.24	16,918.52
Other Income	243.03	256.26
	20,721.27	17,174.78
Profit Before Interest, Depreciation & Tax	1,410.19	660.80
Finance cost	45.95	119.56
Depreciation	269.87	273.76
Profit Before Tax	1,094.37	267.48
Tax expense	176.12	88.00
Profit After Tax	918.25	179.48
Transfer to General Reserve	-	-
Add : Balance Brought Forward	(975.25)	(1085.47)
Depreciation on transaction to Schedule II to the Companies Act, 2013	-	(69.26)
Deficit Carried to the Balance Sheet	(57.00)	(975.25)

\* Figures have been regrouped wherever necessary.

### Operations and Financial Overview

During the year under review, your Company's turnover was at Rs. 204.78 crore as compared to Rs. 169.19 crore for the previous year reflecting a growth of 21% over the previous year, providing visibility to future revenue streams. The Profit Before Tax was at Rs. 10.94 crore vs. Rs. 2.67 crore in the previous year, The Profit After Tax was at Rs. 9.18 crore vs. Rs. 1.79 crore in the previous year reflecting a fivefold growth over previous year.

The year 2015-16 was quite challenging and the improvement in the performance was mainly due to internal operational excellence, lower material costs and spur in project market business.

### Dividend

Your Directors do not recommend any dividend considering the need to augment resources for operational purposes.

### Corporate Governance & Management Discussion and Analysis Report

Your Company believes in sound practices of good Corporate Governance. Transparency, Accountability, and Responsibility are the fundamental guiding principles for all decisions,

transactions, and policy matters of the Company. A Report on Corporate Governance alongwith a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

Further, the Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in Annexure I to this Report.

### Stock Options

The Nomination and Remuneration Committee of the Board of Directors of the Company, *inter alia*, administers and monitors the Employees' Stock Option Scheme of the Company. The Stock Option Scheme, 2014 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and there have been no material changes in the said Scheme during the year under review.

During the year under review 14,108 Nos. Stock Options got vested under the Employees Stock Option Scheme -2014, and were exercised immediately after vesting. Accordingly, the Company made the allotment of 14,108 Equity Shares.

The Nomination and Remuneration Committee of the Board of Directors further granted 3,228 Stock Options during the year under review, comprising about 0.01% of the current paid up capital.

The applicable disclosures as stipulated under the SEBI Guidelines as on 31<sup>st</sup> March, 2016 (cumulative position) with regard to the Employees' Stock Option Scheme (ESOS) are provided in Annexure II to this Report.

Voting rights on the shares issued to employees under the ESOS are either exercised by them directly or through their appointed proxy.

### Share Capital

During the year, with the allotment of 14,108 equity shares on exercising of Stock Options by employees, the total paid up equity share capital of the Company increased from 2,76,44,364 equity shares of Rs. 10/- each to 2,76,58,472/- equity shares of Rs. 10/-each. The said equity shares have been listed on the Bombay Stock Exchange Limited and they rank pari passu with the existing equity shares in all respects.

Accordingly, the Paid-up Share Capital of the Company stood at Rs. 27,65,84,720 divided into 2,76,58,472 equity shares of Rs. 10/-each as on 31<sup>st</sup> March, 2016.

### Holding Company

The promoters of the Company i.e. Mahindra and Mahindra Limited (M & M) hold 1,51,44,433 equity shares which



represents 54.76 percent of the total paid up capital of the Company. Your Company continues to be a subsidiary company of M & M. The Company does not have any subsidiary company.

#### **Contracts and arrangements with Related Parties**

During the financial year, all contracts/ arrangements/ transactions entered by the Company with related parties were in the ordinary course of business on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company with materiality of related party transactions.

All related party transactions are placed before the Audit Committee for approval wherever applicable. Prior omnibus approval is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as the transactions which cannot be foreseen and accordingly, the required disclosures are made to the Committee on quarterly basis in terms of approval of the Committee.

The Company's major related party transactions are generally with its holding and associate companies. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sales transactions through tenders or otherwise. All related party transactions are negotiated on an arms-length basis, and are intended to promote the Company's interests.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [http://www.epcmahindra.com/pdf/EPC\\_Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.epcmahindra.com/pdf/EPC_Policy_on_Related_Party_Transactions.pdf) The related party transactions have been set out in the Note No. 30 to the financial statement.

#### **Risk Management**

During the year, your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company's risk management. The Company has a robust organisational structure for managing and reporting on risks.

Your Company has constituted a Risk Management Committee under the chairmanship of Mr. Nikhilesh Panchal and Mr. Ashok Sharma and Mr. Anand Daga being other members. The Committee has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company's enterprise wide risk management framework; and (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Risk Management Policy was reviewed and recommended by

the Risk Management Committee and approved by the Board of Directors.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives, risk mitigation measures and internal controls and processes.

#### **Industrial Relations**

The industrial relations continue to be peaceful and cordial at all levels. The Directors wish to place on record their sincere appreciation of the Company's employees at all levels. The Company's consistent growth is made possible by their hard work solidarity, co-operation and support.

The Management Discussion and Analysis Report gives an overview of the developments in Human Resources/Industrial Relations during the year.

#### **Safety, Health and Environmental Performance**

Your Company's commitment towards safety, health and environment is being continuously enhanced and your Company encourages involvement of all its employees in activities related to safety, including promotion of safety standards.

During the year under review, no major accidents occurred. The Safety Committee regularly reviews the adherence of safety norms. Some of the programmes undertaken by the Company such as the behaviour based safety training, Knowledge based fire extinguisher training, and fire fighting training and safety awareness have resulted in the reduction of number of accidents.

Various health checkup programmes for employees were regularly undertaken by the Company during the year.

Requirements relating to various environmental legislations and environment protection have been duly complied by your Company.

#### **Directors and Key Managerial Personnel**

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Non independent Director Ms. Sangeeta Prasad would retire and, being eligible, has offered herself for reappointment.

The Board of Directors on 21<sup>st</sup> March, 2016 elevated Mr. Ashok Sharma as Managing Director of the Company with effect from 21<sup>st</sup> March, 2016 for the remaining period of his appointment i.e. till 30<sup>th</sup> September, 2017 on a consolidated remuneration of Rs. 24,00,000/- (Rupees Twenty Four lacs only) per annum. Mr. Ashok Sharma is also receiving a remuneration from the holding Company M/s. Mahindra and Mahindra Limited.

In terms of the provisions of Section 149 of the Companies Act, 2013 and other applicable provisions, if any, the Shareholders have appointed Mr. Vinayak Patil, Mr. Nikhilesh Panchal and Mr. Anand Daga as Independent Directors of the Company

for a period of 5 years in the Annual General Meeting held on 31<sup>st</sup> July, 2014, who are not liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and as per the provisions of Section 149(6) of the Companies Act, 2013.

During the year under review, the Company has appointed Mr. Sanjeev Mohoni as Chief Executive Officer of the Company with effect from 1<sup>st</sup> June, 2015 to look after overall operations of the Company.

The information required pursuant to Section 197(12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of remuneration of a director to the median remuneration of the employees of the Company for the financial year is given in the Annexure III to this Report.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive director. The statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board level committees are given in detail in the report on Corporate Governance, which forms part of this Annual Report.

The Company had on the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, followed a process of evaluation by the Board for its own performance and that of its Committees and individual Directors.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company.

The following policies of the Company are attached herewith marked as Annexure IV and Annexure V:

- a) Policy on Appointment of Directors and Senior Management and Succession Planning for Orderly Succession to the Board and the Senior Management.
- b) Policy for Remuneration of the Directors, Key Managerial Personnel and other employees.

### Directors' Responsibility Statement

Pursuant to Section 134(5) (e) of the Companies Act, 2013, your Directors, based on the representations received from the Operating Management, and after due enquiry, state that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: [http://www.epcmahindra.com/pdf/EPC\\_CSR\\_Policy.pdf](http://www.epcmahindra.com/pdf/EPC_CSR_Policy.pdf)

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified few focus areas of engagement which are as under:

- Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.
- Health: Affordable solutions for healthcare through improved access, awareness and health seeking behaviour.
- Education: Access to quality education, training and skill enhancement.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Disaster Response: Managing and responding to disaster.

During the year under review, your Company initiated few projects such as E-learning Portal to a school in the rural area, girl child education, pure drinking water, medical equipment for old age and disabled persons, medical check up camps, tree plantation etc. These projects were mainly implemented directly through employee participation.