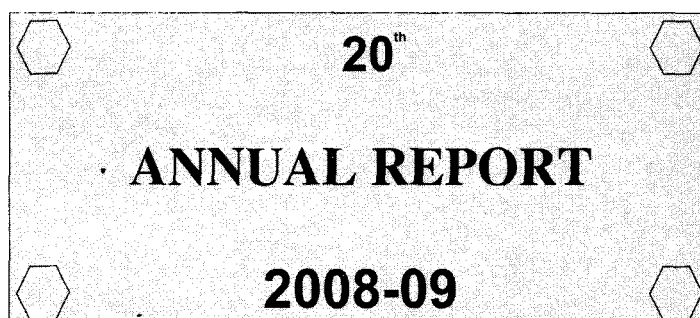


# NEPC INDIA LIMITED

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## Annual report for the year ended 31<sup>st</sup> March, 2009

### BOARD OF DIRECTORS

Mr. Ravi Prakash Khemka, Chairman  
Mr. Raj Kumar, Whole Time Director  
Mr. Tirupathi Kumar, Managing Director  
Mr. Rakesh Gupta  
Mr. S. Rajendran

### AUDITORS

M/s. B.Y.Srinivasan & Associates  
Chartered Accountants  
Room No.5, 2nd Floor, Ramana Clinic Complex  
320A/47A, Velachery Main Road, Velachery  
Chennai - 600 042

### REGISTERED OFFICE

1678, Trichy Road, Ramanathapuram  
Coimbatore - 641 045

### CORPORATE OFFICE

36, Wallajah Road  
Chennai - 600 002

### WORKS

Plot No. 222 (NP), Sidco, Industrial Estate  
Ambattur, Chennai - 600 098

### BANKERS

Bank of Maharashtra  
State Bank of Patiala  
The Karnataka Bank Ltd.

### AUDIT COMMITTEE

Shri S. Rajendran  
Shri Rakesh Gupta  
Shri Tirupathi Kumar

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**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held on Friday, the 25th day of September 2009, at 10 A.M, at its Registered office at 1678, Trichy Road, Ramanathapuram, Coimbatore - 641 045 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2009 and the profit and loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Raj Kumar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Tirupathi Kumar who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

**"RESOLVED THAT M/s.B.Y.Srinivasan & Associates, Chartered Accountants, Chennai - 600 042 be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration that may be fixed by the Board of Directors"**

(By Order of the Board)  
for NEPC India Limited

Place : Chennai  
Date : 30-07-2009

Ravi Prakash Khemka  
Chairman.



## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead and the proxy need not be a member of the Company. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21-09-2009 to 25-09-2009.
3. Members are requested to notify immediately any change in their address to the Company.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Members are already informed that Securities and Exchange Board of India (SEBI) have made it compulsory for all investors to trade the Company's securities in dematerialisation form, effective 28-08-2000. Members are, therefore, requested to avail of Dematerialisation facility.
7. Members with identical order of names who are holding in multiple Folios are requested to write to the Company to consolidate their holdings into one Folio.
8. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of nomination facility by filling Form 2B. Members who hold share in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
9. At this Annual General Meeting Mr.Raj Kumar and Mr.Tirupathi Kumar retire by rotation and being eligible, offer themselves for re-appointment.  
The brief background and the functional expertise of the Directors proposed for re-appointment is furnished below along with details of directorships in other listed Companies.  
(a) Mr.Raj Kumar, aged about 44 years has been associated with the Company as Director since inception. He is well experienced in Business and Commerce.  
Details of other Directorships held by him: Director in the Boards of NEPC Textiles Limited, NEPC Agro Foods Limited, Skyline NEPC Limited, Sai Televisions Limited and National Wind Power Corporation Limited.  
(b) Mr.Tirupathi Kumar aged 41 years, has been associated with the Company as Director from the year 1995. He is well experienced in Business and Commerce.  
Details of other Directorships held by him: Director in the Boards of NEPC Textiles Limited, NEPC Agro Foods Limited, Skyline NEPC Limited, Sai Televisions Limited and National Wind Power Corporation Limited.

(By Order of the Board)  
For NEPC India Limited

Place : Chennai  
Date : 30-07-2009.

Ravi Prakash Khemka  
Chairman



## DIRECTORS' REPORT

To the Members of NEPC INDIA LIMITED

Your Directors have pleasure in presenting the Twentieth Annual Report and Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2009.

## FINANCIAL HIGHLIGHTS

The Financial Results and the performance of the Company during the year under review are as follows:

Particulars	(Rs. in lakhs)	
	Year ended (12 months) 31-03-2009	Period ended (15 months) 31-03-2008
Income from Operations	360.18	3451.57
Other Income	92.90	178.18
Operating Expenses	497.07	3366.31
Operating Profit/(loss) before Depreciation	(43.99)	263.44
Depreciation	147.06	163.40
Profit / (loss) before extra-ordinary items	(191.05)	100.04
Extra-ordinary items + / (-)	-	269.14
Provision for Taxation(Fringe Benefit Tax)	(3.50)	(17.66)
Profit (loss) after taxation	(194.55)	351.52
Balance Profit / (Loss) Brought Forward	(25753.19)	(26104.71)
Net Profit / (loss) carried to Balance Sheet	(25947.74)	(25753.19)

## DIVIDEND

The Directors do not recommend dividend for the year ended 31<sup>st</sup> March, 2009.

## BUSINESS REVIEW

Consequent to the process of transferring its wind energy division to M/s. Southern Wind Farms Limited as per the slump sale agreement dated 16-01-2006, the Company is presently engaged in the business of dealing in of NEPC Solar Dual Power Modules and related items.

## DIRECTORATE

Mr. Raj Kumar and Mr. Tirupathi Kumar retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment to the Board.

Mr. K. Narasimhan retired from directorship at the last AGM of the Company held on 26-09-2008.



## AUDITORS

M/s L.S. Rajaram & Associates, Chartered Accountants, Auditors of the Company resigned during June 2009. The members have appointed M/s.B.Y. Srinivasan & Associates as Auditors of the Company in the subsequent EGM to hold office till the conclusion of the forthcoming Annual General Meeting. However, they are eligible for re-appointment and have given their consent to act as the auditors of your Company, if appointed. The Audit Committee and the Board recommends the re-appointment of M/s. B.Y. Srinivasan & Associates, Chartered Accountants, as the Auditors of the Company.

## REMARKS ON AUDITOR'S QUALIFICATIONS

With regard to para 3 (vi)(a) of Auditor's report and Note II-3 in Schedule 18, the Company has already obtained confirmations from certain sundry creditors and sundry debtors. The process of confirmation and reconciliations in respect of other items such as sundry debtors, loans/advances, certain bank balances, deposits and current liabilities is on. However, it may be noted that after due reconciliation is over, the assets and liabilities of your Company are not expected to result in any material change, considering certain settlements already made.

With regard to para 3 (vi)(b) and Note II-08 in Schedule 18 regarding AS 28 - impairment of Assets, the Company is in the process of ascertaining the losses on account of impairment of asset, if any, relating to the Airline division and it is also considering the possibility of realizing some claim arising out of these assets. Pending this ascertainment, the loss has not been recognized in the current year.

With regard to para 3 (vi)(c) of Auditor's report and Note II-11 in Schedule 18 regarding non-provision of retirement benefits, since the number of employees becoming eligible is low, the quantum of provision required is expected to be marginal and will not vitiate the financial statements.

With regard to para 3 (vi)(d) of Auditor's report and Note II-12.2 in Schedule 18 regarding non provision of Deferred Tax assets as stipulated in AS 22 - Taxes on Income, the same has not been considered as the Company opines that there will not be any such instance.

## DIRECTORS RESPONSIBILITY

In compliance with Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

- in the preparation of annual accounts the applicable Accounting Standards have been followed, along with proper explanation wherever necessary.
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the loss for the financial year;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.



## PARTICULARS OF EMPLOYEES

No employee of the Company was paid remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956, read with the relevant Rules as amended.

## INDUSTRIAL RELATIONS

Your Company continues to maintain harmonious and cordial relations with its workers.

## CORPORATE GOVERNANCE

A detailed report on this subject forms part of this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement pursuant to Section 217 (1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is given in the annexure forming part of this Report

### *Foreign Exchange Earnings and Outgo*

	31-03-2009	31-12-2008
Earnings	Nil	Nil
Outgo	-	-
Travelling Expenses	-	-
Raw Material	-	-
Capital goods	-	-
Technical Expenses	-	-
Total	-	-

## ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation and gratitude to the Company's members for their support and confidence. Your Company is grateful for the co-operation and continued support extended by the Central Government, State Governments, Banks, Government Bodies, Departments, etc. The Directors also express their appreciation for the support and contribution by the employees at all levels for the successful operation of the Company during the year under review.

(By Order of the Board)  
For NEPC India Limited

Place : Chennai  
Date : 30-07-2009

Ravi Prakash Khemka  
Chairman



## ANNEXURE TO THE DIRECTORS' REPORT

## FORM - A

(See Rule 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO  
CONSERVATION OF ENERGY31-03-200931-03-2008**A. Power and Fuel Consumption**

## 1. Electricity

## a) Purchased Unit (Nos)

Total amount (Rs.)

Rate/Unit (Rs.)

## b) Own Generation

## i) Through Diesel Generator Unit (Nos)

Units per Ltr. of diesel oil (Nos)

Cost/unit (Rs.)

## ii) Through Wind turbine/generator

Units (Nos)

Cost/unit (Rs.)

Amount (Rs.)

## 2. Coal (Specify quality and where used)

Quantity (tonnes)

Total cost (Rs.in thousands)

Average rate

## 3. Furnace Oil

Quantity (K. ltrs)

Total amount

Average rate

## 4. Others/internal generation

(please give details)

Quantity

Total cost

**B. Consumption per unit of production**

Products (with details) unit

Electricity

Furnace

Coal (Specify quality)

Others (Specify)

Nil

Nil

Not applicable

Nil

Nil

Not applicable





## FORM - B

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO  
TECHNOLOGY ABSORPTION**

**(1) RESEARCH AND DEVELOPMENT (R&D)**

Your Company was a pioneer in Wind energy development in the country and achieved tremendous success in R&D activity related to wind energy machines by way of import substitution, indigenization and new products development, in the past.

**(2) FUTURE PLAN OF ACTION**

Your Company has identified Solar power equipment and related items as focus area of development, which involve Solar Cell / Fuel Cell and Inverters.

**(3) EXPENDITURE ON RESEARCH AND DEVELOPMENT**

a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total Research & Development expenditure	Nil
as a percentage of total turnover	

(By Order of the Board)  
For NEPC India Limited

Place : Chennai  
Date : 30-07-2009

Ravi Prakash Khemka  
Chairman



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31-03.2009

### Code of Corporate Governance:

NEPC India Limited, as part of NEPC Group, has over the years followed code of Corporate Governance by adhering to practices which consist of managerial plans and procedures towards fulfillment of the obligation to business performance along with maximisation of stakeholders value. The Company is committed to good corporate governance and continuously review various investor relationship measures with a view to enhance stake holders value.

NEPC India's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy.

The Board of Directors are all experienced and eminent persons and the pivotal role is performed by them. The Board has constituted various committees like the Audit Committee, Share Transfer/ Investors' Grievance Committee and Remuneration Committee to look into relevant aspects of specialised area. The Company reports the following compliance of Corporate Governance for the year ended 31-03-2009.

### BOARD OF DIRECTORS

a) Composition and Details of Membership/Chairmanship of Directors in Board Committees  
The Board of Directors of the company as at March 31, 2009 consisted of

S No	Name of Director	Executive /Non Executive Independent	No. of Director ships held	No. of Membership / Chairmanship in other Board Committees*
1	Mr.Ravi Prakash Khemka	Executive	6	-
2	Mr. Raj Kumar	Executive	6	5
3	Mr Tirupathi Kumar	Executive	6	5
4	Mr.S Rajendran	Non Executive & Independent	5	10
5	Mr. Rakesh Gupta	Non Executive & Independent	5	10

\* Only Audit Committee and Shareholders/Investors' Grievance Committee are considered for this purpose

Note : None of the Directors are Chairman of more than 5 Committees

The Board functions as a full Board or through Committees. The Board of Directors and its Committees meet at regular intervals. This structure has enhanced Board's role in guiding the Company and contributed to the overall performance.