

EPC Industrié Limited

Delivering Farm Tech Prosperity

**34th Annual Report
2015-16**



Samridhi



A Mahindra Group Company

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

INDEX

	Page No.
Notice	3
Directors' Report	8
Report on Corporate Governance.....	31
Independent Auditors' Report	43
Financial Statements	
Balance Sheet.....	48
Statement of Profit & Loss	49
Cash Flow Statement.....	50
Notes to the Financial Statements.....	52

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of EPC INDUSTRIÉ 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 31st 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 21st March, 2016 for the remaining period of his appointment till 30th 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
27th 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 26th July, 2016 to 29th 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 16th 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 31st 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:
- 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;
 - 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;
 - quote their folio numbers/Client ID/DP ID in all correspondence; and
 - 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 34th 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 34th 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 34th Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website 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

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 34th 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 or evoting@epcind.com with a copy marked to 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

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 26th July, 2016 (9:00 a.m.) and ends on 28th 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 22nd 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 22nd July, 2016.

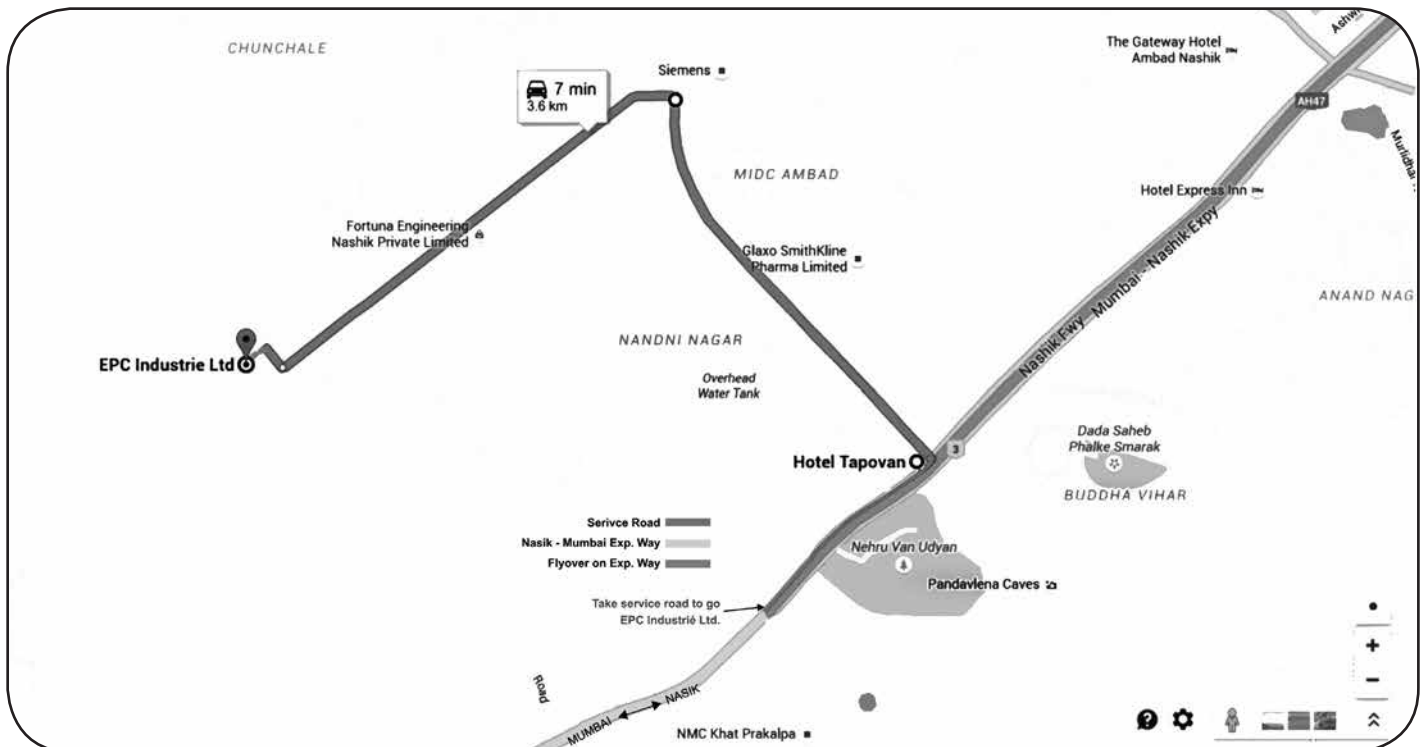
- VI. Mr. Nitin Choudhari – Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the 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 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,
Nashik- 422 010
Tel: (0253) 2381081/82/83, 6642000
CIN: L25200MH1981PLC025731
e-mail: info@epcind.com
website: www.epcmahindra.com
27th 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 21st 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 21st March, 2016 for the remaining period of his appointment till 30th 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 UNIVTEG 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 22nd 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
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27th May, 2016

34th Annual Report 2015-16

DIRECTORS' REPORT

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

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	For the Year ended 31 st March, 2016	For the Year ended 31 st 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 31st 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 31st 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 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 21st March, 2016 elevated Mr. Ashok Sharma as Managing Director of the Company with effect from 21st March, 2016 for the remaining period of his appointment i.e. till 30th 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 31st 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 1st 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 31st 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 31st 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

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.

During the year under review, the Company has spent Rs. 11.17 lacs which is around 2% of the average net profits of last three financial years on CSR activities.

The Annual Report on CSR activities is annexed herewith marked as Annexure VI.

Internal Complaints Committee

During the year under review, no complaints were reported to/ resolved by the Committee for the year ended 31st March, 2016 in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Vigil Mechanism/Whistle Blower policy

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a vigil mechanism policy. This policy is explained in the Report on Corporate Governance and also posted on the website of Company.

Auditors

The Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Baroda holds office until the conclusion of the ensuing Annual General Meeting. The Auditors are eligible for reappointment under Section 139(1) of the Companies Act, 2013 and have furnished a certificate to this effect. In accordance with the provisions of Section 139(2) of the Companies Act, 2013, first term of five years of the Auditors is being completed in the ensuing Annual General Meeting. The Directors recommend their reappointment as Auditors of the Company for a period of five years i.e. till the conclusion of the Annual General Meeting to be held in July, 2021.

Cost Auditors

The Company had filed the Cost Audit Report as per the Companies (Cost Accounting Records) Rules, 2011 prescribed under Section 148(6) of Companies Act, 2013 and Rule 6(6) of the Companies (Cost Records and Audit) Rules, 2014 pertaining to the financial year 2014-15 before the due date of filing.

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee appointed M/s Shilpa & Company, Cost Accountants, as the Cost Auditors of the Company for the financial year 2016-17. M/s Shilpa & Company have confirmed that their appointment, is within the limits of Section 139 of the Companies Act, 2013 and have also certified that they are free from any disqualification specified under Sections 141 (3) and 148 (5) of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

The Directors recommend the remuneration payable to the Cost Auditors of the Company for the year 2016-17. The approval from Shareholders for the remuneration payable to the Cost Auditors is being sought at the ensuing Annual General Meeting.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Board has appointed Mr. Sachin Bhagwat, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended on 31st March, 2016 is annexed as Annexure VII to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Public Deposits & Loans/Advances

During the year, the Company did not accept any fixed deposit. There were unclaimed/unpaid deposits and unclaimed/unpaid interest warrants outstanding as on 31st March, 2016 amounting to Rs. 0.91 lacs. Your Company has neither made any loans or advances nor did any guarantees or securities provide which are required to be disclosed in the Annual Accounts of the Company.

Uses & Application of Funds raised under Rights Issue

In the year 2012, the Company had allotted 1,03,58,199 equity shares at a price of Rs. 40 per share (including a premium of Rs. 30/- per share) resulting in total issue size of Rs. 41.43 crores under the Rights Issue.

The uses and application of funds raised under Rights Issue are given in Note No. 27.6 to the Financial Statement. The Uses and Application of funds under Rights Issue are monitored regularly by the Audit Committee.

Energy Conservation and Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under sub-section(3) (m) of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure VIII to this Report.

DISCLOSURES:

Audit Committee

The Audit Committee comprises Independent Directors namely M/s. Vinayak Patil (Chairman), S Durgashankar and Anand Daga as other members.

All the recommendations made by the Audit Committee were accepted by the Board.

CSR Committee

The CSR Committee comprises M/s. Ashok Sharma (Chairman), S Durgashankar and Vinayak Patil as other members.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Directors namely M/s. Anand Daga (Chairman), S Durgashankar and Vinayak Patil as other members.

Meetings of the Board

Five meetings of the Board of Directors were held during the year. For further details, please refer the Report on Corporate Governance of this Annual Report.

Extract of Annual Return

Pursuant to Sub-section 3(a) of Section 134 and Sub-section 3 of Section 92 of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extracts of Annual Return of the Company as at 31st March, 2016 is annexed herewith as Annexure IX to this Report.

Statement of deviation(s) or variation (s)

During the year under review, there were no deviations of funds reported to the Audit Committee in respect of the funds raised in the year 2012, under Rights Issue.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

4. There were no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. There were no frauds reported by auditors (including Secretarial and Cost auditor) to the Audit Committee or Board and also not reported to the Central Government.

Particulars of Employees

The Company had one employee who was in receipt of remuneration of not less than Rs. 60,00,000 during the year ended 31st March, 2016 or not less than Rs. 5,00,000 per month during any part of the year. Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1)(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure III to this Report.

Acknowledgements

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and continued support received from customers, vendors, suppliers, bankers, business associates and shareholders.

For and On behalf of the Board

Vinayak Patil
Director

Ashok Sharma
Managing Director

Place : Mumbai
Dated: 27th May, 2016

ANNEXURE I TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

It is significant to note that a very small portion of world's water is fresh, and roughly one-third of it is inaccessible, the rest being very unevenly distributed. The available supplies are increasingly getting contaminated with wastes and pollution from industry, agriculture, and households.

Over the years, increasing population, growing industrialisation, expanding agriculture, and rising standards of living have pushed up the demand for water. Efforts have been made to collect water by building dams and reservoirs and creating ground water structures such as wells. However, there is a growing realisation that there are limits to 'finding more water' and in the long run, we need to know the amount of water we can reasonably expect to tap and also learn to use it more efficiently.

With the objective of conserving water, minimizing wastage, and ensuring that it is distributed equally, both across and within the states, through integrated water resources development and management, the Government of India has formulated National Water Mission with distinctive objectives so as to increase the water use efficiency by 20% by 2017.

Micro irrigation has emerged as the front runner solution which offers a benefit in terms of appreciable reduction in volume of water used as well as results in higher agricultural productivity. Use of fertigation further enhances the productivity and offers a dual advantage of fertiliser saving and non-pollution of ground water as well as surface runoff water.

Industry Structure and Developments

The demand for water by the Agriculture Sector will grow rapidly on account of growing needs 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 also grow rapidly, thus impacting the share of water allotted to the Agriculture Sector. It is generally estimated that the share of 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.

Adoption of micro irrigation was accelerated through Central Government's assistance and many of the developed States have recognised the impact of micro irrigation, resulting in significant State assistance to the farmers. Normally, around 50 per cent financial assistance is provided to farmers for adopting micro irrigation system by the State and Central Governments. In order to further accelerate the adoption of micro irrigation by farmers, some of the States extend further assistance which can reduce the cost of system by as much as 70-80 per cent.

The Indian micro irrigation system industry, which comprises of segments such as drip irrigation and sprinkler irrigation, has grown significantly over the last few years due to increase in the demand for agricultural food products. The micro irrigation system industry in India is highly fragmented with nearly 200 companies. There is a fierce competition in the market, with a large number of organized and unorganized players engaged in the manufacturing and installation of micro irrigation systems.

Your Company is presently a major supplier of micro irrigation systems (MIS) in India. Our strong brand name, expertise in agronomy services, and widespread network have contributed to our growth.

Opportunities and Outlook

The long-term outlook of the micro irrigation industry is robust. Though we have had several specific schemes to promote micro irrigation, the recently announced Pradhan Mantri Krishi Sinchai Yojana (PMKSY) aims to address the issue in a holistic manner. PMKSY is conceived to achieve convergence of investments to address the problem of irrigation at large – Expanding irrigated area (Har Khet Ko Paani), Efficient distribution water from the sources, Improving water-use efficiency through precision irrigation and other water saving technologies (More Crop Per Drop), and Promoting water conservation practices. It brings all concerned ministries & departments engaged in creation/distribution/use of water under a common platform to have a comprehensive and holistic view of the entire "water cycle". The total fund earmarked for this scheme is Rs. 50,000 crores for a period of five years (F16 to F20). However, continuous droughts in Maharashtra, Gujarat, Karnataka and Madhya Pradesh, which are major markets for micro irrigation, have dampened the demand for micro irrigation systems to some extent, which in turn has affected our industry. It is expected that a good monsoon this year will help boost the pent-up demand for micro irrigation and with a stable government at the Centre and in major States, we envisage that it will contribute to the growth of micro irrigation industry with consistent policies for subsidies.

Operations and Financial Performance

During the year 2015-16, your Company achieved Sales Turnover of Rs. 204.78 crores as compared to Rs. 169.19 crores in the preceding year reflecting a growth of 21%. The major factors contributing to this improvement in performance were: Focus on profitable businesses and markets, Penetration in newer markets, Deployment of cost control measures, and Effective working capital management.

These initiatives enabled your Company to achieve improved profitability, and growth in revenue, despite some uncertainties owing to the late announcement of policy in some important markets. Relentless efforts in product and process improvement, and quality not only contributed to improved efficiencies, but also enabled your company to improve farmers' productivity further.

During the year under review, your Company has almost doubled the performance in Pumps and Polyhouse businesses. In pumps, this has come through improvement in product range and quality, expansion of channel network, and improvement in customer care services. During the year, the Company has also introduced Open Well Sub-mersible Pumps, Monoblock Pumps, and Direct Online Starters.

As regards the Poly house business, your Company has grown in several States and has installed some Hi-tech Poly houses for specific applications. With a strong team in place, we expect to see some further growth in this business through a continuous focus on cost reduction and process improvement.

Risks, Concerns and Threats

The Micro Irrigation industry's growth is majorly dependent on the government policies and release of subsidies etc. in the short term. Growth in industry will further need a large pool of trained personnel and a dedicated dealer network with deep penetration in newer markets of the country. Further, the uneven distribution of rainfall in the country, consecutive drought like situation in the previous years and fluctuations in the polymer prices are constant threats faced by the industry. Low cost quality competition is another concern area for the industry.

Seasonality is a major problem for all irrigation Companies as bulk of the major business is derived in non-monsoon months. However, with the well-spread operations in western, southern and northern States where monsoon months vary, your Company's operations are balanced to a certain extent.

Continuous healthy growth of agriculture, ambitious mega micro irrigation projects of few States and the increasing demand for micro irrigation systems in the other markets will provide ample opportunities for growth of the business.

Internal Control Systems

Your Company has adequate internal control procedures commensurate with its size and nature of business. The internal control system in the Company is designed to further the interests of all stakeholders and it is supplemented by extensive internal audits, regular reviews by management through external consultants, and well-documented policies and guidelines to ensure reliability and speedy compilation of financial statements, safeguard the assets and interests of the Company and also to ensure compliance with laws and regulations. The internal control framework comprises of elements like entry level controls, Risk Control Matrix, management testing programs and a strong emphasis on integrity and ethics as a part of work culture. The Company continuously upgrades these systems in line with the best accounting practices. The Audit Committee of Board of Directors periodically reviews the audit plans, observations and the recommendations of internal and external auditors with reference to significant risk areas and adequacy of internal controls.

Based on management's assessment and testing of controls, it is concluded that the Company has proper internal financial controls which are considered adequate and are operating effectively.

Human Resources

Your Company has a robust process for crafting the HR strategy which is aligned with the business strategy. Based on this, key levers or areas of focus to make EPC a great work place are worked upon and execution of the same has taken place in your Company to achieve the goal.

Human resource initiatives such as skill level upgradation, recruitment grid, formation of cross functional teams for business innovation, appropriate reward and recognition systems and productivity improvement are the key focus areas for development of the employees of the Company. The measures for safety, training, welfare and development of employees receive highest priority.

Your Company wants its sales employees to not just sell the product but also talk the language of crops with the farmer customer. In line with this objective and also based on the approach of imparting training to the employees based on the training needs identified for them, crop related trainings, agronomy based capability building, and other skill building programs (across EPC) were actively carried out in 2015-16.

The Company periodically conducts Samwaad – Employee Engagement Survey and Vicharmanthan. These diagnostic tools acts as powerful medium to understand employees' expectations, feedbacks, suggestions and ideas for overall improvement in the working of the Company. Your company has actively worked upon the suggestions given by employees and has implemented various such suggestions for the betterment of the Company.

Your Company's Human Resource vertical, through its ever evolving employee-friendly policies and processes, has kept the morale of the employees high.

As we look ahead, we are confident that our strong, positive people philosophy and practices will make us a preferred destination for talent in the industry.

As on 31st March, 2016, the total number of employees of your Company was 438.

Cautionary Note

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements and risks and opportunities may differ from those expressed or implied in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

ANNEXURE II TO DIRECTORS' REPORT

Disclosures with respect to Employees Stock Option Scheme of the Company pursuant to the provisions of the Companies Act, 2013.

Particulars	Employees Stock Option Scheme, 2014
(a) Options granted	83,652
(b) Options vested	14,108
(c) Options exercised	14,108
(d) The total number of shares arising as a result of exercise of option	83,652
(e) Options lapsed	13,185
(f) Exercise price	Rs. 10
(g) Variation of terms of options	Nil
(h) Money realised by exercise of options	Rs. 1,41,080
(i) Total number of options in force	56,359
(j) Employee wise details of options granted to	
(i) Key Managerial Personnel	1) Mayur Bumb – 11,059 2) Ratnakar Nawghare – 7,029
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	1) Kiran Soman – 16,862 2) Deepak Bajaj – 6,498* 3) Kedarnath Keskar – 4,688 4) Makarand Mallikar – 4,675 5) Ranveer Singh Malhotra – 4,644 6) Hemant Sahu – 4,130* 7) Arvind Gulghane – 4,024 8) G. Ragupathi – 3,228 * Resigned.
(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
(k) Basic and Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Basic Earnings per Share – Rs. 3.32 & Diluted Earnings per Share – Rs. 3.31
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed	The Company has calculated the employee compensation cost, using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted under the Employees Stock Option Scheme, 2014, the employee compensation would have been higher by Rs. 6.12 lacs, Profit after Tax lower by Rs. 6.12 lacs and the basic and diluted earnings per share would have been lower by Rs. 3.32 and Rs. 3.31 respectively.

34th Annual Report 2015-16

Particulars	Employees Stock Option Scheme, 2014		
	Options Grants Date	Exercise Price	Fair Value (Rs.)
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	28 th October, 2014 and 31 st October, 2015	10	170.97
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	The fair value of the Stock Options granted on 28 th October, 2014 and 31 st October, 2015 have been calculated using Black-Scholes Options Pricing Formula and the significant assumptions made in this regard are as follows:		
(i) risk-free interest rate	– 8.06%		
(ii) expected life	– 3.50 years		
(iii) expected volatility,	– 55%		
(iv) expected dividends and	Nil, as the Company has not declared any dividend.		
(v) the price of the underlying share in market at the time of option grant.	Rs. 177.75 and Rs. 158.10 respectively.		

ANNEXURE III TO DIRECTORS' REPORT

A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure										
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	7.04										
2	The percentage increase in remuneration of each Director, CEO, CFO & CS.	MD – 100%* CEO – Nil** CFO – 3% CS – 4%										
3	The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 10%. The calculation of % increase in median remuneration is done based on comparable employees.										
4	The number of permanent employees on the rolls of the company.	There were 336 permanent employees as on 31 st March, 2016.										
5	The explanation on the relationship between average increase in remuneration and company performance.	Factors considered while recommending increases in the fixed compensation: a) Performance of the Company; b) Remuneration with peer companies; c) Industry benchmarking and consideration towards cost of living adjustment/ inflation. d) ESOP scheme, which is part of the remuneration on a long term basis, is prepared in accordance with SEBI and other regulatory guidelines and shareholders. e) The Company follows holistic performance review mechanism to ensure that the increase is commensurate with the effort and it is aligned with the performance with the Company.										
6	Comparison of the remuneration of the key managerial personnel against the performance of the company.	For the FY 2015 – 16, KMP's were paid approx 18.64% of Net Profit for the year as compared to 40% in FY 2014 – 15. The percentage is decreased mainly due to higher profits of the current year.										
7	a) Variations in the market capitalisation of the Company: b) Price Earnings ratio of the Company: c) Percent increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:	The market capitalisation as on March 31, 2016 was Rs. 334.50 Crores (Rs. 447.01 crore as on March 31, 2015). Price Earnings ratio of the Company was 36.45 as at March 31, 2016 and was 248.77 as at March 31, 2015. The Company had Rights Issue offer in the year 2012. An amount of Rs. 1000 invested in the said Rights Issue would be worth Rs. 3025 as on March 31, 2016 indicating a Compounded Annual Growth Rate of 76%.										
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage change in Managerial employees is 5% whereas the average percentage change in Non – Managerial employees is 7% in 2015-16.										
9	Comparison of each remuneration of the Key Managerial Personnel against the performance of the company	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">% of Net Profits for FY 2015–16</th> </tr> </thead> <tbody> <tr> <td>MD</td> <td style="text-align: right;">2.6%</td> </tr> <tr> <td>CEO</td> <td style="text-align: right;">9.2%</td> </tr> <tr> <td>CFO</td> <td style="text-align: right;">4.0%</td> </tr> <tr> <td>CS</td> <td style="text-align: right;">2.8%</td> </tr> </tbody> </table>	Particulars	% of Net Profits for FY 2015–16	MD	2.6%	CEO	9.2%	CFO	4.0%	CS	2.8%
Particulars	% of Net Profits for FY 2015–16											
MD	2.6%											
CEO	9.2%											
CFO	4.0%											
CS	2.8%											
10	The key parameters for any variable component of remuneration availed by the directors	No variable component of remuneration is being given to the Managing Director. The Managing Director is receiving consolidated remuneration.										
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Ratio is 0.105 and there are 7 such employees receiving remuneration more than the director's remuneration.										
12	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is affirmed.										

* The remuneration of MD revised from 21st March, 2016.

** The remuneration of CEO started from 1st June, 2015.

34th Annual Report 2015-16

B Information as per Rule 5(2) and 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Employed for part of the year with an average salary above Rs. 5 lacs per month

Sr. No.	Name of Employee & Designation	Date of Joining	Remuneration (Rs.)	Educational Qualification	Age	Experience	Last Employment
1	Sanjeev Mohoni Chief Executive Officer	1 st June, 2015	Rs. 84,74,167/-	B.E. (Mech.) & MMS (Finance)	57 years	33 years	Mahindra Yueda Yenchnag Tractor Company Ltd.

Notes:

1. Remuneration comprises of salary, allowances, performance based payments, perquisite and company's contribution to PF and superannuation as per the definition contained in Section 2(78) of the Companies Act, 2013 paid during the year.
2. The nature of employment is contractual and working in India and the employee does not hold 2% or more of the paid up equity share capital of the Company as per clause (iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. Further, the employee is not a relative of any director or manager of the Company.

ANNEXURE IV TO DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means EPC Industrié Limited.

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“HR” means the Human Resource department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
 1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making

3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors

- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Whole Time Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Whole Time Director based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the strategic business plans of the Group and the Group Aspiration of being among the Top 50 globally most-admired brands by 2021.

Board:

The successors for the Independent Directors shall be identified by the NRC atleast one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

- 1. Emergency successor
- 2. Ready now
- 3. Ready in 1 to 2 years
- 4. Ready in 2 to 5 years
- 5. Ready in more than 5 years

in order to ensure talent readiness as per a ladder approach.

Policy Statement

The Talent Management framework of the Mahindra Group has been created to address three basic issues:

- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down an architecture and processes to address these questions using the 3E approach:

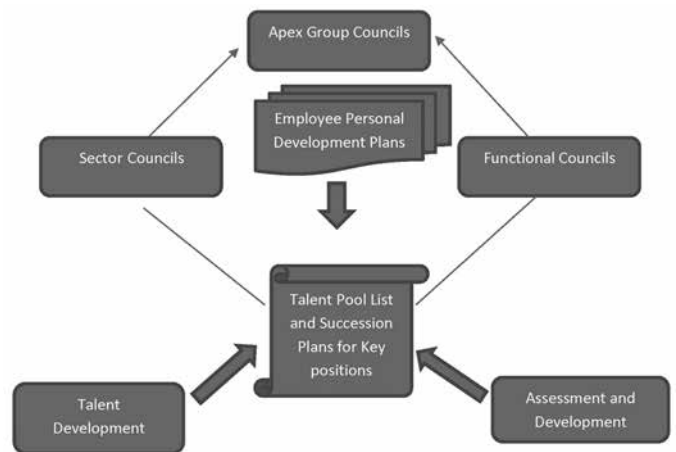
- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage

- b) **Exposure** i.e. coaching and mentoring – 20% weightage

- c) **Education** i.e. learning and development initiatives – 10% weightage

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Group and Sector Levels. These Talent Councils, which consist mainly of Senior business leaders supported by HR, are a mix of Sector (Business) and Functional Councils coordinated by an Apex Talent Council, headed by the Group Chairman. The Apex Council reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Sector/Functional Councils meet regularly throughout the year and the Apex Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under:



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

ANNEXURE V TO DIRECTORS' REPORT

POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in EPC Industrié Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, Key Managerial Personnel and all employees, including the Chairman, Presidents and other Members of the Group Executive Board who are employees of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Whole Time Director or Executive Director or CEO:

The remuneration to Whole Time Director or Executive Director or CEO shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance or alternatively, the NRC may recommend to pay the consolidated remuneration.

Key Managerial Personnel (KMPs)

The terms of remuneration of Chief Financial Officer (CFO) shall be determined by the Audit Committee from time to time. The terms of remuneration of the Company Secretary shall be finalised/ revised by the Whole Time Director or such other person as may be authorised by the Board from time to time.

The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of Section 203 of the Companies Act 2013 the Board shall approve the remuneration at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Employees

We follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a. For all employees from Operational to Executive Band, we benchmark with a set of comparators from the same industry.
- b. For Strategic band and above, we have a position-based approach and the comparator basket includes benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Remuneration for the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

ANNEXURE VI TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2015-16

1	Brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee.	Refer Sections: (a) Corporate Social Responsibility and (b) Disclosures: CSR Committee in the Annual Report
2	Average net profit of the Company for last three financial years	Rs. 4,94,89,523
3	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	Rs. 9,89,790
4	Details of CSR spent during the financial year	Rs. 11,16,775
5	Total amount to be spent for the financial year	Rs. 11,16,775
6	Amount unspent, if any	Rs. Nil
7	Manner in which the amount spent during the financial year	Details given below

These projects were implemented under the monitoring of CSR Committee. The details of CSR spent during the financial year under the aforesaid CSR activities are mentioned below:

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programmes Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure upto the reporting period.	(8) Amount spent: Direct or through implementing agency
1	Issue of shoes to school students	Rural Development	Local Talegaon Anjeneri, Tal. Trimbak, District Nashik, Maharashtra	47,632	47,632	47,632	Direct
2	Supply of E-learning portal	Rural Development	Local Dhaur Tal. Dindori, District Nashik, Maharashtra	96,000	96,000	96,000	Direct
3	Supply of drinking water pipe line	Rural Development	Local Talegaon Anjeneri, Tal. Trimbak, District Nashik, Maharashtra	1,99,490	1,99,490	1,99,490	Direct
4	Nanhi Kali	Education	Local District Nashik, Maharashtra	5,47,200	5,47,200	5,47,200	KC Mahindra Education Trust*
5	Tree plantation	Environment	Talegaon Anjeneri, Tal. Trimbak, District Nashik, Maharashtra	24,194	24,194	24,194	Direct
6	Medical checkup of women	Health	Talegaon Anjeneri & Talwade Tal. Trimbak, District Nashik, Maharashtra	1,42,959	1,42,959	1,42,959	Direct
7	Folding Toilet chairs & walkers	Health & old age home	Local District Nashik, Maharashtra	59,300	59,300	59,300	Direct
	Total			11,16,775	11,16,775	11,16,775	

* The K. C. Mahindra Education Trust was founded by the late Mr. K. C. Mahindra in the year 1953, with an objective of promoting literacy and higher learning in the country.

Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For and On behalf of the Board

Vinayak Patil
Director

Ashok Sharma
Managing Director
& Chairman of CSR Committee

Place : Mumbai

Dated: 27th May, 2016

ANNEXURE VII TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
EPC Industrié Limited
Plot No. H-109, M.I.D.C. Ambad
Nashik 422010

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EPC Industrie Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings (Not applicable to the Company during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).

- (vi) According to the information provided by the Company, no other law was specifically applicable to the Company;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place : Pune
Date : 16th May, 2016

Sachin Bhagwat
ACS: 10189
CP: 6029

ANNEXURE VIII TO DIRECTORS' REPORT

PARTICULARS AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

A. Conservation of Energy

Your Company has always been giving priority to the conservation of energy and technology upgradation. To conserve energy and reduce energy cost, various initiatives were taken during the year.

(a) the steps taken or impact on conservation of energy:

- New designed extruders and downstream equipment for higher output in place of old one.
- Power factor is being maintained at unity.
- Improvement in productivity and savings in power consumption due to in-house technological innovations.
- Installation of newly designed moulds and high speed machines.
- Continuous raw material supply for higher productivity.
- Continuous improvements within production area, efficient production planning and improved preventive maintenance resulting into higher up time.

(b) the steps taken by the company for utilising alternate sources of energy:

The Company has explored the potential of using the alternate sources of energy through pilot projects which may be considered for implementation in future and your Company would continue to explore alternative sources of energy in future.

(c) the capital investment on energy conservation equipments:

Nil

B. Technology Absorption

(i) the efforts made towards technology absorption

Technology is the key enabler and core facilitator to achieve goals of your Company. Since inception, your Company has been at the forefront of leveraging technology to provide better products and services to its customers. The Company's efforts are always focused on making in-house developments, improvement in products and processes, reduction in costs.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

Technology has always responded by being a true strategic partner with the business. Many first mover implementations/developments have provided business, long lasting advantages to the Company.

Apart from product development, product improvement and effective cost management, technology has played a major role in ensuring high level of customer satisfaction and providing competitive advantage.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil

(a) the details of technology imported - NA

(b) the year of import - NA

(c) whether the technology been fully absorbed - NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA

(iv) Expenditure of Research and Development:

		(Rs. In Thousands)	
		2015-16	2014-15
(a)	Capital Expenditure	Nil	Nil
(b)	Recurring Expenditure	244	296
(c)	Total	244	296
(d)	Total R&D expenditure as a % of total turnover	0.01	0.01

C. Foreign Exchange Earnings & Outgo

The Company is assessing the potential countries where the exports business can be explored.

Particulars with regard to foreign exchange earned and outgo are given in the Note No. 27 to the Financial Statements.

For and on behalf of the Board

Vinayak Patil
Director

Ashok Sharma
Managing Director

Place : Mumbai
Dated : 27th May, 2016

ANNEXURE IX TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L25200MH1981PLC025731
ii)	Registration Date:-	28/11/1981
iii)	Name of the Company:-	EPC Industrié Limited
iv)	Category/Sub-Category of the Company:	Public Limited
v)	Address of the Registered office and contact details:-	Plot No. H-109, MIDC Ambad, Nashik-422 010 Ph No: 0253-2381081/6642000
vi)	Whether listed company: Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:-	Sharepro Services (I) Pvt. Ltd 13AB, Samhita Warehousing Complex 2 nd Floor, Sakinaka Telephone Exchange Lane Off: Andheri Kurla Road, Sakinaka Andheri (East), Mumbai-400 072 Tel No. 022-67720421/403

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Micro Irrigation Systems - Drip & Sprinklers	842400	92.2

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Holding	54.76	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian	0	0	0	0	0	0	0	0	
a) Individual/HUF	0	0	0	0	0	0	0	0	
b) Central Govt.	0	0	0	0	0	0	0	0	
c) State Govt(s)									
d) Bodies Corporate	1,51,44,433	0	1,51,44,433	54.78	1,51,44,433	0	1,51,44,433	54.76	(0.02)
e) Banks/FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
Sub-Total (A)(1):-	1,51,44,433	0	1,51,44,433	54.78	1,51,44,433	0	1,51,44,433	54.76	(0.02)

34th Annual Report 2015-16

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	
b) Other-Individuals	0	0	0	0	0	0	0	0	
c) Bodies Corp.	0	0	0	0	0	0	0	0	
d) Banks/FI	0	0	0	0	0	0	0	0	
e) Any other	0	0	0	0	0	0	0	0	
Sub-Total (A)(2):-	0	0	0	0	0	0	0	0	
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	1,51,44,433	0	1,51,44,433	54.78	1,51,44,433	0	1,51,44,433	54.76	(0.02)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,55,836	0	3,55,836	1.29	2,90,569	0	2,90,569	1.05	(0.24)
b) Banks/FI	0	200	200	0	0	200	200	0	(0.00)
c) Central Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)	4,52,389	0	4,52,389	1.64	12,77,600	0	12,77,600	4.62	2.98
Sub-Total (B)(1):-	8,08,225	200	8,08,425	2.92	15,68,169	0	15,68,369	5.67	2.75
2. Non-Institutions									
a) Bodies corp.	52,09,733	4,460	52,14,193	18.86	27,50,933	4,460	27,55,393	9.96	(8.90)
i) Indian	0	0	0	0	0	0	0	0	-
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	25,08,228	6,32,550	31,40,778	11.36	35,99,094	6,02,260	42,01,354	15.19	3.83
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	30,48,495	0	30,48,495	11.03	36,81,255	0	36,81,255	13.31	2.28
c) Others (specify)	1,78,840	1,09,200	2,88,040	1.04	2,02,468	1,05,200	3,07,668	1.11	0.07
Sub-Total (B)(2):-	1,09,45,296	7,46,210	1,16,91,506	42.29	1,02,33,750	7,12,120	1,09,45,670	39.57	(2.72)
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,17,53,521	7,46,410	1,24,99,931	45.22	1,18,01,919	7,12,120	1,25,14,039	45.24	0.02
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	2,68,97,954	7,46,410	2,76,44,364	100.00	2,69,46,352	7,12,120	2,76,58,472	100.00	0.0

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Mahindra and Mahindra Ltd.	1,51,44,433	54.78	Nil	1,51,44,433	54.76	Nil	0.02 Due to allotment of 14108 shares under ESOP Scheme-2014

(iii) Change in Promoters Shareholding (please specify, if there is no change) Nil

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No change*			
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	No change*			
	At the end of the year	No change*			

* The shareholding of Promoters has not changed in absolute terms.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):							
1	RELIANCE CAPITAL LIMITED	1025000	3.71	31/12/2015	350000	Transfer	1375000	4.97
				08/01/2016	-100000	Transfer	1275000	4.61
				31/03/2016			1275000	4.61
2	PAYONE ENTERPRISES PRIVATE LIMITED	706000	2.55	25/12/2015	-250000	Transfer	456000	1.65
				31/12/2015	-456000	Transfer	0	
				31/03/2016			0	0.00
3	SCIL VENTURES LIMITED	653200	2.36	01/04/2015	0	Nil	653200	2.36
				31/03/2016			653200	2.36
4	AADI FINANCIAL ADVISORS LLP	625000	2.26	01/04/2015	0		625000	2.26
				31/03/2016	-208333	Transfer	416667	1.51
5	MARCO PRIVATE LIMITED	520000	1.88	01/04/2015	-7719	Transfer	512281	1.85
				17/07/2015	-152655	Transfer	359626	1.30
				24/07/2015	-94626	Transfer	265000	0.96
				26/02/2016	-47851	Transfer	217149	0.79
				04/03/2016	-38649	Transfer	178500	0.65
				11/03/2016	-14042	Transfer	164458	0.59
				18/03/2016	-6164	Transfer	158294	0.57
				31/03/2016			158294	0.57

34th Annual Report 2015-16

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
6	RAJASHEKAR SWAMINATHAN IYER	446800	1.62	01/04/2015	0	Nil	446800	1.62
				31/03/2016			446800	1.62
7	MUKUL MAHAVIR PRASAD AGRAWAL	320269	1.16	01/04/2015	0	Nil	320269	1.16
				31/03/2016			320269	1.16
8	SBI MAGNUM COMMA FUND	280836	1.02	10/07/2015	759	Transfer	281595	1.02
				17/07/2015	8974	Transfer	290569	1.05
				31/03/2016			290569	
9	PARAM CAPITAL RESEARCH PVT. LTD.	280000	1.01	01/04/2015	0	Nil		
				31/03/2016			280000	1.01
10	AMUNDI FUNDS EQUITY INDIA SELECT	202184	0.73	21/08/2015	-6926	Transfer	195258	0.71
				09/10/2015	-6483	Transfer	188775	0.68
				23/10/2015	-9243	Transfer	179532	0.65
				30/10/2015	-172451	Transfer	7081	0.03
				06/11/2015	-7081	Transfer	0	0.00
				31/03/2016			0	0.00

At the end of the year (or on the date of separation, if separated during the year)

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	At the beginning of the year							
	Date wise increase/decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):							
	Directors							
1	Mr. ASHOK SHARMA	Nil	NA	NA	Nil	NA	Nil	NA
2	Mr. S DURGASHANKAR	Nil	NA	NA	Nil	NA	Nil	NA
3	Mr. NIKHILESH PANCHAL	Nil	NA	NA	Nil	NA	Nil	NA
4	Ms. SANGEETA PRASAD	Nil	NA	NA	Nil	NA	Nil	NA
5	Mr. ANAND DAGA	Nil	NA	NA	Nil	NA	Nil	NA
6	Mr. VINAYAK PATIL	Nil	NA	NA	Nil	NA	Nil	NA
	Key Managerial Personnel							
1	Mr. SANJEEV MOHONI	Nil	NA	NA	Nil	NA	Nil	NA
2	Mr. MAYUR BUMB	1	0.00	01/04/2015		0	1	0.00
				20/11/2015	2212	ESOS Allotment	2213	0.01
				31/03/2016			2213	0.01
3	Mr. RATNAKAR NAWGHARE	3950	0.01	01/04/2015	0	0	0	0.01
				20/11/2015	1406	ESOS Allotment	5356	0.02
			0.00	31/03/2016	0		5356	0.02

At the end of the year (or on the date of separation, if separated during the year)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	7,405,873	–	7,405,873
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	7,405,873.00	–	7,405,873.00
Change in indebtedness during the financial year				
i) Addition	–	–	–	–
ii) Reduction	–	2,980,932	–	2,980,932
Net Change	–	2,980,932.00	–	2,980,932.00
Indebtedness at the end of the Financial year				
i) Principal Amount	–	4,424,941	–	4,424,941
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	4,424,941.00	–	4,424,941.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr. Ashok Sharma - MD	Total Amount in Rs.
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	1,230,000	1,230,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	–	–
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	–	–
2	Stock option	–	–
3	Sweat Equity	–	–
4	Commission – as % of profit – others, specify	–	–
5	Others, please specify	–	–
	Total (A)	1,230,000	1,230,000
	Ceiling as per the Act*	–	–

* The Remuneration paid to Managing Director is within the prescribed ceiling under the Companies Act, 2013.

B. Remuneration to other directors;

Sr. No.	Particulars of Remuneration	Name of Directors			Amount in Rs.
		Mr. Vinayak Patil	Mr. Nikhilesh Panchal	Mr. Anand Daga	Total Amount
1	Independent Directors				
	* Fees for attending board committee meetings	390,000	110,000	350,000	850,000
	* Commission	364,788	364,788	364,788	1,094,365
	* Others, please specify	–	–	–	–
	Total (1)	754,788	474,788	714,788	1,944,364
2	Other Non-Executive Directors				
	* Fees for attending board committee meetings	–	–	–	–
	* Commission	–	–	–	–
	* Others, please specify	–	–	–	–
	Total (2)	–	–	–	–
	Total (B)=(1+2)	754,788	474,788	714,788	1,944,364
	Total Managerial Remuneration				3,174,364
	Overall Ceiling as per the Act **				–

** Within the prescribed ceiling under the Companies Act, 2013.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			(Rs. in Lakhs)
		Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	84.74	33.35	22.80	140.89
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	-	3.54	2.40	5.94
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961.	-	-	-	-
2	Stock Options Outstanding (Nos.)	-	8,847	5,623	14,470
3	Sweat Equity	-	-	-	-
4	Commission – as % of profit	-	-	-	-
	– others, specify				
5	Others, please specify	-	-	-	-
	Total	84.74	36.89	25.20	146.83

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of penalty/ Punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices and have implemented all the stipulations prescribed.

A detailed report on corporate governance pursuant to the requirements of the listing agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. A certificate from the statutory auditors of the Company, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors:

The composition of the Board of Directors is in conformity with the Regulations under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Currently, the Board comprises of six Directors, out of which one is Executive Director and five are Non-Executive Directors. The number of Non-executive Directors comprising three Independent Directors is more than one-half of the total number of Directors. All the Directors have made necessary disclosures under Corporate Governance norms and the applicable provisions of the Companies Act, 2013. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value are met.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of the Independent Directors have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Affiliates which in their judgment would affect their independence. All the independent Directors have given confirmation in this regard. None of the Directors of the Company are inter-se related to each other.

Professional fees for the year under review to Khaitan & Co., Advocate & Solicitors, in which Mr. Nikhilesh Panchal, Non-Executive and Independent Director is a partner, amounts to Rs. 1,17,250/- (including out of pocket expenses).

The Senior Management personnel have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

(b) Number and dates of Board Meetings held and Attendance of the Directors at Meetings of the Board and at the Annual General Meeting.

The Board meets atleast once in a quarter to consider among other business, quarterly performance of the Company and the financial results. During the financial year under review, five Board Meetings were held on the following dates 27th April, 2015, 31st July, 2015, 30th October, 2015, 30th January, 2016 and 21st March, 2016. The gap between two Meetings did not exceed four months. These meetings were well attended. The 33rd Annual General Meeting of the Company was held on 31st July, 2015.

The attendance of the Directors at these meetings is as under:

Directors	Meetings of Board Meetings Attended	Attendance of the AGM
Mr. Ashok Sharma	5	Yes
Mr. Vinayak Patil	5	Yes
Mr. S. Durgashankar	4	Yes
Mr. Nikhilesh Panchal	3	Yes
Mr. Anand Daga	5	Yes
Ms. Sangeeta Prasad	4	No

(c) Board Procedure

A detailed Agenda folder, alongwith necessary supporting papers are sent to each Director in advance of the Board meetings and to the concerned Directors of the Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director apprises the Board at every meeting of the overall performance of the Company. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, compliance reports of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, review of major legal issues, adoption of quarterly/half yearly/annual results, risk management, significant labour issues, major accounting provisions and write-offs, minutes of meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Company Secretary and Compliance Officer.

(d) Code of Conduct

Your Company had adopted Code of Ethics ("Code") recommended by Bombay Chamber of Commerce and Industry for its Directors and Senior Management personnel and employees. The Code of Ethics has been posted on the Company's website [http:// www.epcmahindra.com](http://www.epcmahindra.com). This Code enunciates the underlying principles governing the conduct of the business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's culture. The Code further provides the duties of Independent Directors as laid down in the Companies Act, 2013.

All Board Members and Senior Management Personnel have affirmed compliance with the Code.

A declaration signed by the Managing Director is enclosed at the end of this Report.

(e) Number of other Boards or Board Committees of Directors

Currently, the Board comprises of six Directors. The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in applicable Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015), across all the Companies in which he is a Director.

Sr. No.	Directors	Category	Total Number of Directorships of public companies [#] , Committee Chairmanships and Memberships, as on 31 st March, 2016.		
			Directorships ^{\$}	Committee Chairmanships ⁺	Committee Memberships ⁺
	EXECUTIVE				
1.	Mr. Ashok Sharma Managing Director	Related to Promoter	2	-	1
	NON-EXECUTIVE				
2.	Mr. Vinayak Patil	Independent	1	2	-
3.	Mr. S. Durgashankar	Related to Promoter	6	1	1
4.	Mr. Nikhilesh Panchal	Independent	5	-	2
5.	Mr. Anand Daga	Independent	1	-	1
6.	Ms. Sangeeta Prasad	Related to Promoter	8	-	1

Excludes private limited companies/foreign companies and companies u/s.8 of the Companies Act, 2013

\$ Includes Directorship in EPC Industrié Limited

+ Committees considered are Audit Committee and Stakeholders Relationship Committee including that of EPC Industrié Limited.

(f) Directors seeking appointment/re-appointment

M/s. Ashok Sharma and Sangeeta Prasad are seeking appointment/reappointment.

Brief resume of these Directors is presented below:

1) Mr. Ashok Sharma

The Board of Directors of the Company, on 21st March, 2016 on the recommendations of the Nomination and Remuneration Committee, approved the appointment of Mr. Ashok Sharma (DIN: 02766679) as the Managing Director of the Company, with effect from 21st March, 2016 for the remaining period of his appointment till 30th September, 2017, on a consolidated remuneration

of Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum.

Brief Resume of Mr. Ashok Sharma is presented below:

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 UNIVEG Private Limited

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

2) Ms. Sangeeta Prasad

Ms. Sangeeta Prasad (DIN: 02791944) has a Bachelor's degree in Electrical Engineering and has done Masters in Business Administration from IIM Lucknow. She is a Chevening scholar from UK and completed General Management Programme at INSEAD, Fontainbleau.

Ms. Prasad is currently heading the Integrated Business City and Industrial Cluster as CEO at Mahindra Lifespace Developers Ltd aimed at sustainable city creation.

She has a rich and varied experience of over 21 years of different business functions.

Ms. Prasad has been awarded Leadership award in the International Women Leaders Forum in 2013. Further, she was also recognized amongst the top 30 Emerging Woman Leaders in a survey conducted by Business Today Magazine in the year 2010. Ms. Prasad was also one of the Speakers at the World Economic Forum, Davos, 2012 on "URBANISATION – Trends, Challenges and Opportunities".

Ms. Prasad is a Member, Board of Governors, IIM Lucknow. She was part of the CEO delegation at the 'Make in India' summit in the Hannover Messe exposition in Germany. She was a part of

a panel discussion on Smart Cities in the Summit along with eminent Corporate and government representatives from India and Germany.

Ms. Sangeeta Prasad is on the Board of following Companies:

- i) Mahindra World City(Jaipur) Limited
- ii) Knowledge Township Limited
- iii) Mahindra World City(Maharashtra) Limited
- iv) Mahindra World City Developers Limited
- v) Industrial Township (Maharashtra) Limited
- vi) Maharashtra Industrial Park Chennai Limited
- vii) Mahindra Residential Developers Limited

Ms. Sangeeta Prasad is the chairman/member of the following committees of the Company and of other companies.

Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman/Member)
1.	Knowledge Township Limited	Audit Committee	Member
2.	Knowledge Township Limited	Nomination and Remuneration Committee	Member
3.	Mahindra World City Developers Limited	Corporate Social Responsibility Committee	Member
4.	Mahindra Residential Developers Limited	Corporate Social Responsibility Committee	Member
5.	Mahindra Residential Developers Limited	Nomination and Remuneration Committee	Member
6.	Mahindra World City (Jaipur) Limited	Contract Committee	Member
7.	Mahindra World City (Jaipur) Limited	Loan and Investment Committee	Member
8.	Mahindra World City (Jaipur) Limited	Corporate Social Responsibility Committee	Member
9.	Mahindra Industrial Park Chennai Limited	Nomination and Remuneration Committee	Chairperson

Ms. Sangeeta Prasad does not hold any shares in the Company.

(g) Disclosure on relationships between Directors inter-se

The Directors have made disclosure that there are no relationships between directors inter-se.

(h) Number of Shares and Convertible instruments held by Non-executive Directors.

The Non-executive Directors have made disclosure that they are not holding any Shares of the Company.

(i) Web link where details of familiarization programmes imparted to independent directors is disclosed.

During the year under review the Company has taken steps to familiarize its directors including Independent Directors by periodic presentations about the Company operations, business model, business strategy and risks involved, industry in which the Company operates and their roles and responsibilities. The details of such programme is posted on the Company website: <http://www.epcmahindra.com/corporategovernance.aspx>.

3) Risk Management

The assessment of various risks pertaining to the various aspects of business and the steps taken to mitigate risks is discussed in the meetings of the Board of Directors. The Company has adopted Risk Management Policy and the Risk Management Committee monitors the same. The details of the Risk Management Committee and its broad terms of reference are given in this report.

4) Audit Committee

(a) Brief description of terms of reference

The Board of Directors of the Company has an Audit Committee which comprises Mr. Vinayak Patil as the Chairman of the Committee and Mr. S Durgashankar and Mr. Anand Daga as other members of the Committee.

All the members of the Audit Committee possess strong accounting and financial management knowledge.

The Company Secretary is the Secretary of the Audit Committee.

The terms of reference of this Committee are very wide. The broad terms of reference of the Audit Committee include:

- a) Review of the Company's financial reporting process and its financial statements.
- b) Review of accounting and financial policies and practices.
- c) Review of the internal control and internal audit system.

d) Discussing with statutory Auditors to ascertain any area of concern.

e) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;

f) review and monitor the auditor's independence and performance, and effectiveness of audit process;

g) examination of the financial statement and the auditors' report thereon;

h) approval or any subsequent modification of transactions of the company with related parties;

i) scrutiny of inter-corporate loans and investments;

j) valuation of undertakings or assets of the company, wherever necessary;

k) evaluation of internal financial controls and risk management systems;

l) Monitoring the end use of funds raised through public offers and related matters

m) If required, call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors

n) Review of the financial statements before their submission to the Board

o) If required, discuss with the internal and statutory auditors and the management of the company any issues related to internal control system, scope of audit and financial statements.

p) Investigate into any matter in relation to the items specified above or matters which are referred to it by the Board and for this purpose, to obtain professional advice from external sources and have full access to information contained in the records of the Company.

q) Establish vigil mechanism as may be prescribed to enable directors and employees to report genuine concerns and also shall provide for adequate safeguards against victimization of persons who use such mechanism.

r) Review the uses/application of funds raised by the Company either by public/rights issue of shares or any other securities.

Generally all items under Regulation 18(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Regulations, 2015) of the Listing Agreement are covered in the terms of reference and Role of the Audit Committee. The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of Securities and of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Composition, Name of members and Chairperson

The Board of Directors of the Company has an Audit Committee which comprises three Non Executive Directors and majority of whom are Independent Directors namely, Mr. Vinayak Patil as the Chairman of the Committee and Mr. S Durgashankar and Mr. Anand Daga as other members of the Committee.

(c) Meetings and Attendance during the year

The meetings of the Audit Committee are also attended by the Managing Director, Statutory Auditors, Chief Executive Officer, Chief Financial Officer, Internal Auditor and the Company Secretary. The Chairman of the Audit Committee, Mr. Vinayak Patil was present at the 33rd Annual General Meeting of the Company held on 31st July, 2015.

The Committee met seven times during the year under review. The Committee Meetings were held on the following dates – 27th April, 2015, 17th July, 2015, 31st July, 2015, 8th October, 2015, 30th October, 2015, 30th January, 2016 and 21st March, 2016. The attendance at the Meetings is as under:

Members	Number of Meetings attended
Mr. Vinayak Patil	6
Mr. S. Durgashankar	6
Mr. Anand Daga	7

5) Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Company has Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013.

The Terms of Reference of the Nomination and Remuneration Committee is to:

- i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be laid down, recommend to the Board their appointment and removal; and shall carry out evaluation of every Director's performance.
- ii) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- iii) Review performance of the Managing Director and recommend to the Board the remuneration

payable to him and administering the Employees Stock Options Scheme.

The Committee also administers the Company's ESOP Scheme and take appropriate decisions in terms of the said scheme.

During the year the Company has adopted the policy on directors and Key Managerial Personnel and other employees, appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee has further determined the criteria for evaluation of Independent Directors performance and the performance of Chairman, Board and committees.

(b) Composition, Name of members and Chairperson

The Committee comprises three Non-Executive Directors majority of whom are Independent Directors namely Mr. Anand Daga – Chairman, Mr. S. Durgashankar and Mr. Vinayak Patil.

(c) Meetings and Attendance during the year

The Committee met on 27th April, 2015, 31st October, 2015 and 21st March, 2016 and the meeting was generally attended by all the members of the Committee. The attendance of the meeting is as under.

Members	Number of Meetings attended
Mr. Vinayak Patil	3
Mr. S. Durgashankar	2
Mr. Anand Daga	3

(d) Independent Directors and performance evaluation

In accordance with the provisions of the Companies Act, 2013, the Company has appointed three Independent Directors in the Annual General Meeting held on 31st July, 2014 for a period of 5 years. The terms of their appointment are available on the website of the Company.

The Nomination and Remuneration Committee has laid down the evaluation criteria for Independent Directors and the same has been done by the entire Board of Directors. The performance criteria includes whether a directors possesses sufficient

skills, experience and level of preparedness to add value to discussions and decisions, challenge views constructively, knowledge about Company's business, the industry in which company operates and global trends etc.

The Independent Directors had a meeting on 21st March, 2016 without the attendance of non-independent directors and members of management to review performance of non-independent directors and the Board as a whole and performance of chairman of the Board of Directors and for assessment of quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the board of directors to effectively and reasonably perform their duties.

The Company had organized programmes at regular intervals to familiarize the 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, etc. Quarterly updates on relevant statutory changes on important laws are regularly circulated to Directors. Plant visits are organized for the Directors to enable them to understand the operations of the Company.

6) Risk Management Committee

The Company has Risk Management Committee in accordance with the Companies Act, 2013. The Committee functions under the Chairmanship of Mr. Nikhilesh Panchal, Mr. Ashok Sharma and Mr. Anand Daga are the other members of the Committee.

The broad roles and responsibilities of the Committee would be:

- a) Assessment of the Company's risk profile and key areas of risk in particular.
- b) Recommending to the Board and adopting risk assessment and rating procedures.
- c) Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- d) Assessing and recommending to the Board acceptable levels of risk.
- e) Review and monitoring of Risk management and risk mitigations measures.

7) Remuneration of Directors

(a) Pecuniary relationship or transactions of the non-executive directors.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he

is a partner, none of the Non-executive Independent Directors have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Affiliates which in their judgment would affect their independence. All the Non-executive independent Directors have given confirmation in this regard. None of the Directors of the Company are inter-se related to each other.

(b) Criteria of making payments to non-executive directors.

The Non-executive independent Directors are paid sitting fees of Rs. 30,000 for attending the meetings of the Board of Directors and Rs. 20,000 for attending Committee meetings of the Board and reimbursement of expenses incurred for attending the Meetings of the Board of Directors of the Company and its Committees thereof. The sitting fees paid to Non-Executive Directors for the year ended 31st March, 2016 alongwith their shareholdings are as under:

Directors	Sitting Fees for the Board Meetings and Committee Meetings held during the year ended 31 st March, 2016 (Rs. in Lacs)	No. Of Equity Shares held as on 31 st March, 2016
Mr. Ashok Sharma	Nil	Nil
Mr. Vinayak Patil	3,90,000	Nil
Mr. S. Durgashankar	Nil	Nil
Mr. Nikhilesh Panchal	1,10,000	Nil
Mr. Anand Daga	3,50,000	Nil
Ms. Sangeeta Prasad	Nil	Nil

Further the Independent Directors shall be entitled to receive a commission of Rs. 5 lacs each or 1% of annual Net Profit of the Company computed in accordance with the provisions of Section 197 read with Section 198 of the Act or Rules framed thereunder whichever is lower from time to time commencing from the FY – 2015-16 in lieu of their services to the Company. The Shareholders in the Annual General Meeting dated 31st July, 2015 had accorded their consent for the same. Accordingly, the commission of Rs. 10,94,365/- would be payable equally to Independent Directors for FY 2015-16.

(c) Disclosures with respect to Remuneration:

(i) Elements of remuneration package

During the year under review, Mr. Ashok Sharma was elevated to a position of Managing Director

and the existing consolidated remuneration was revised from Rs. 12,00,000/- per annum to Rs. 24,00,000/- per annum with effect from 21st March, 2016 upto the remaining tenure upto 30th September, 2017 subject to approval of shareholders in the ensuing Annual General Meeting.

(ii) Details of fixed component and performance linked incentives along with the performance criteria.

There are no fixed or variable components of the remuneration payable to Mr. Ashok Sharma and Mr. Ashok Sharma is also receiving remuneration from Mahindra and Mahindra Limited and Mahindra Agric Solutions Limited.

The Company has introduced the Board and directors' performance evaluation criteria. All board members will be requested annually to provide their assessment of the performance of the Board and its Committees by way of response to a questionnaire. Additionally, all Board members will be asked to do a self-evaluation of their performance annually. The performance of executive directors will be evaluated by the Nomination and Remuneration Committee and the performance of independent directors will be evaluated by the Board. The director being evaluated will not participate in the meeting at the time of their respective evaluation.

(iii) Service contracts, notice period, severance fees

The appointment letter is issued to Directors as per the policy of the Company and the appointment can be terminated by either party by giving three months notice in writing as per the Company's policy. There is no separate provision for payment of severance fees.

(iv) Stock option details

During the year under review, the Company has not issued any stock options to any Directors.

8) Stakeholders Relationship Committee:

The Company has Stakeholders Grievances Committee under the provisions of The Companies Act, 2013. The Committee functions under the Chairmanship of Mr. Vinayak Patil, Mr. Ashok Sharma and Mr. Nikhilesh Panchal are the other Members of the Committee. Mr. Ratnakar Nawghare, Company Secretary is the Compliance Officer of the Company. The Stakeholders Relationship Committee resolves the grievances of security holders of the Company.

As per Section 178(7) of the Companies Act, 2013, the Chairperson of the Committee or, in his absence, any other member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company.

During the year under review, there was no complaint received from the Shareholder. There were no investor complaints remaining unresolved and pending as at 31st March, 2016.

9) General Body Meetings:

(a) Location and time, where last three annual general meetings held and Special Resolution passed

Year ended	Date	Time	Special Resolution passed
31 st March, 2013	Wednesday 31 st July, 2013	2.30 p.m.	For Variation in the terms referred to in letter of offer dated May 3, 2012 in respect of utilization of proceeds of rights issue.
31 st March, 2014	Thursday 31 st July, 2014	2.30 p.m.	1. Grant of Stock Options under EPC Industrié Limited Employee Stock Option Scheme - 2014. 2. Re-appointment of Mr. Ashok Sharma as the Whole time Director.
31 st March, 2015	Friday 31 st July, 2015	2.30 p.m.	1. Alteration of Articles of Association pursuant to the provisions of Section 14 and other relevant provisions, if any, of the Companies Act, 2013. 2. Commission to Independent Non-Executive Directors of the Company.

All the above Meetings were held at Plot No. H-109, MIDC Ambad, Nashik-422 010.

(b) Postal Ballot

During the year under review, the Company has not passed any special resolution through postal ballot. Further, the Company does not have any proposal for passing any special resolution through postal ballot, at the ensuing Annual General Meeting.

10) Means of Communication

The quarterly, half-yearly and yearly results are published in Business Standard, Free Press Journal & Navshakti which are national and local dailies respectively. These are not sent individually to the Shareholders. The Company's results and official news releases are displayed on the Company's website <http://www.epcmahindra.com>.

No presentations were made to institutional investors/analysts.

11) General Shareholder Information

(a) 34th Annual General Meeting

Date : 29th July, 2016 Time : 2.30 p.m. Venue: Plot No. H-109, MIDC Ambad, Nashik-422 010

(b) Financial Year of the Company

The financial year covers the period from 1st April to 31st March.

Financial Reporting for:

Quarter ending

30th June, 2016 – Second week of August, 2016

Half-year ending

30th September, 2016 – Second week of November, 2016

Quarter ending

31st December, 2016 – Second week of February, 2017

Year ending

31st March, 2017 - End May, 2017 Note: The above dates are indicative.

(c) Date of Dividend Payment

No dividend has been recommended for the Financial Year ended 31st March, 2016.

(d) Listing of Equity Shares on Stock Exchange

Your Company's Shares are listed on Bombay Stock Exchange Limited (BSE). The requisite listing fees have been paid in full to the Stock Exchange.

(e) Stock Code

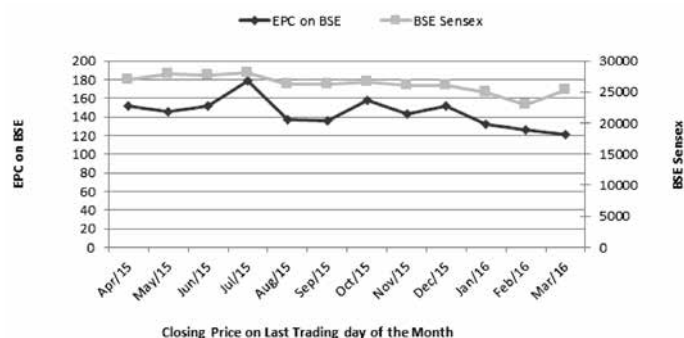
- Bombay Stock Exchange Limited (BSE): 523754
- Demat International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares: INE 215D01010

(f) Stock Price Data of Equity Shares listed on Bombay Stock Exchange Limited:

Month	High Price	Low Price
April, 2015	174.80	140.00
May, 2015	153.80	134.00
June, 2015	162.80	128.00
July, 2015	199.00	154.20
August, 2015	183.00	126.30
September, 2015	145.50	125.80
October, 2015	179.00	135.20
November, 2015	160.00	140.20
December, 2015	160.00	139.50
January, 2016	166.50	120.20
February, 2016	147.20	116.50
March, 2016	133.00	113.10

(g) Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



(h) Suspension of Securities

Your Company's Shares are not suspended during the year under review.

(i) Registrar and Transfer Agent

Karvy Computershare Private Limited,
24/B, Raja Bahadur Compound,
Ambalal Doshi Marg,
Behind BSE Building, Fort,
Mumbai 400001

Tel.: 022-66235412 / 66235454

Investor Service Toll Free No: 1-800-3454-001

Email: einward.ris@karvy.com

(j) Share Transfer System

Trading in Equity Shares of the Company through Bombay Stock Exchange is permitted only in dematerialized form.

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

The Board of Directors had authorised Mr. Ashok Sharma, Managing Director to approve the share transfers, issue of duplicate shares etc. and the same gets confirmed by the Board in their subsequent meeting.

As of date, there are no pending share transfers pertaining to the year under review.

(k) Distribution of Shareholding as on 31st March, 2016:

Shareholding	Shareholders		Shares	
	Number	% to total holders	Number	% to total capital
Upto 500	12,557	87.40	18,58,487	6.72
501 – 1,000	860	5.99	7,10,499	2.57
1,001 – 5,000	731	5.08	15,92,476	5.76
5,001 – 10,000	92	0.64	7,05,473	2.55
10,001 – 1,00,000	113	0.79	31,72,125	11.47
1,00,001 & above	14	0.10	1,96,19,412	70.93
TOTAL	14,367	100.00	2,76,58,472	100.00

Shareholding Pattern as on 31st March, 2016

Category	No. of shares held	%
Promoters	1,51,44,433	54.76
Banks	200	0.00
Private Corporate Bodies	40,32,993	14.58
Indian Public	81,73,178	29.55
NRIs/OCBs/Others	3,07,668	1.11
GRAND TOTAL	2,76,58,472	100.00

(l) Dematerialisation of Shares and liquidity

97.43% of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March, 2016. The Company's Shares are liquid and actively traded on the Bombay Stock Exchange Limited.

(m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

Nil

(n) Commodity price risk or foreign exchange risk and hedging activities

The nature of business of the Company does not involve any risks/require hedging activities.

(o) Plant Locations

Your Company's manufacturing facility is located at Plot No. H - 109, MIDC Ambad, Nashik- 422 010.

(p) Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Karvy Computershare Private Limited,

Unit: **EPC Industrié Limited**

Karvy Selenium, Tower B,

Plot number 31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad, Telangana-500 032

Contact details:-

Telephone number: +91 40 67162222

Investor Service Toll Free No: 1-800-3454-001

Fax number: +91 40 2342 0814

Email: einward.ris@karvy.com

for all matters relating to transfer/dematerialisation of shares and any other query relating to Equity Shares of your Company.

Your Company has also designated rvnawghare@epcind.com as an exclusive email ID for Investors for the purpose of registering complaints. Shareholders would have to correspond with the respective Depository Participants for Shares held in dematerialized form. For all investor related matters, the Company Secretary & Compliance Officer can be contacted at:

EPC Industrié Limited

Plot No. H-109, MIDC Ambad, Nashik - 422 010.

Telephone Nos.: +91-253-2381081/82

Fax: +91-253-2382975

email: rvnawghare@epcind.com

Your Company can also be visited at its website: www.epcmahindra.com

(q) Dates of Book Closure

Dates of Book Closure for Annual General Meeting will be 26th July, 2016 to 29th July, 2016 (both days inclusive)

(r) Registered Office

Plot No. H-109, MIDC Ambad, Nashik- 422 010

(s) Corporate Identity Number:

L25200MH1981PLC025731

12) Other Disclosures

(a) Disclosure on materially significant Related Party transactions

During the financial year 2015-16 there were no materially significant transactions entered into between the Company and its Promoters, Directors or the Management etc. that may have potential conflict with the interest of the Company at large. Further details of related party transactions are given in Note No. 30 to the Financial Statements.

All the transactions with related parties were in the ordinary course of business and on arms length basis. In terms of Regulation 23 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company started obtaining prior approval of the audit committee for entering into any transaction with related parties. The audit committee granted omnibus approval for certain transactions to be entered with the related parties, during the year. The policy on Related Transaction is incorporated on the Company website: <http://www.epcmahindra.com/InvestorInformation.aspx>

(b) Details of non-compliance etc.

Your Company has complied with all the requirements of regulatory authorities.

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets.

The Company and the erstwhile Promoter's group company had filed the revised consent application on 8th January, 2014, in terms of SEBI Circular dated May 25, 2012 (Ref CIR/EFD/1/2012) ("May Circular 2012") seeking settlement for non-disclosure in respect of the transaction dated 31st March, 2003 and for delay in yearly disclosure as of 31st March, 2005, under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

SEBI vide its letter dated 27th November, 2013 issued a notice of Inquiry against aforesaid delays. The Company in response to it, filed the consent application on 8th January, 2014 and reply on 10th January, 2014. The SEBI has returned the Consent application, however, the Company has requested SEBI to provide an opportunity for personal hearing to settle the matter. The Inquiry proceedings are kept in abeyance till the outcome of consent application.

(c) Details of establishment of vigil mechanism, whistle blower policy etc.

In terms of the provisions of Section 177(9) of the Companies Act, 2013 the Company has implemented a vigil mechanism which includes implementation of the whistleblower policy. No employee has been denied access to the Chairman of the Audit Committee. The Company in conjunction with the Corporate Disclosure and Investigation policy of its ultimate holding Company has informed its employees that any non-compliant behavior of directors or employees including the non-compliance of its code of conduct to the notice of the management for investigation and necessary action, may be reported by them using the speak-up line number provided therein. The policy is posted on the Company website: <http://www.epcmahindra.com/InvestorInformation.aspx>

(d) Web link where policy on dealing with Related Party Transactions.

The policy on Related Party Transaction is incorporated on the Company website: <http://www.epcmahindra.com/InvestorInformation.aspx>

(e) Disclosure on Director's performance evaluation criteria

The Company has introduced the board and directors' performance evaluation criteria. All board

members will be requested annually to provide their assessment of the performance of the Board and its Committees by way of response to a questionnaire. Additionally, all Board members will be asked to do a self-evaluation of their performance annually. The performance of executive directors will be evaluated by the Nomination and Remuneration Committee and the performance of independent directors will be evaluated by the Board. The director being evaluated will not participate in the meeting at the time of their respective evaluation.

(f) Disclosure of Accounting Treatment in preparation of Financial Statements

Your Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2014 and the Accounting Standards prescribed under the Companies Act, 2013 in preparation of its financial statements.

(g) Code of Conduct for Prevention of Insider Trading

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.

The code lays down Guidelines, which advise designated employees on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

Under the said Code, the Company has appointed Mr. Ratnakar Nawghare as the Compliance Officer. All Board members and Senior Management personnel have affirmed compliance with the Code. The Code of Conduct of the Company is also posted on the investor relation page of the Company's website www.epcmahindra.com

(h) Details of Compliance with Mandatory requirements and adoption of the non-mandatory requirements.

Your Company has complied with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance. Your Company has adopted the non-mandatory requirements as mentioned below:

1) Modified Opinion in Audit Report

Your Company follows best practices, compliance with Accounting Standards and internal control over financial reporting to ensure unqualified financial statements.

2) Reporting of Internal Auditor

The Internal Auditor of the Company reports to the Audit Committee.

(i) Disclosures with respect to demat suspense account/unclaimed suspense account

There are no shares in the demat suspense account/unclaimed suspense account at the beginning and at the end of the financial year 2015-16.

(ii) CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 (2) (a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual certificate given by the Chief Executive Officer and the Chief Financial Officer is published in this Report.

Mumbai 27th May, 2016

DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V (D) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IS ANNEXED.

To
The Members of EPC Industrié Limited,

I, Ashok Sharma Managing Director of EPC Industrié Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2016.

Mumbai,
27th May, 2016

Ashok Sharma
Managing Director

INDEPENDENT AUDITORS' CERTIFICATE

TO
THE MEMBERS OF
EPC INDUSTRIÉ LIMITED,

1. We have examined the compliance of conditions of Corporate Governance by EPC Industrié Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 1, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing

Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No.117364W

Ketan Vora
Partner
Membership Number: 100459

Mumbai, May 27, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EPC INDUSTRIÉ LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **EPC Industrié Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks

of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in accordance with the generally accepted accounting principles – Refer Note 27.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure "B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
Membership Number: 100459

Nashik, 27th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of EPC Industrié Limited on the financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **EPC Industrié Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system

over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm’s Registration No. 117364W)

Ketan Vora
Partner
Membership Number: 100459

Nashik, 27th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of EPC Industrié Limited on the financial statements for the year ended 31st March, 2016)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans availed from banks are held in the name of the Company based on the confirmations directly received by us from the bank. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. The Company has not granted any loans, made investments or provided guarantees to which the provisions of Sections 185 and 186 of the Act apply, and hence reporting under clause (iv) of the Order is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. According to the information and explanations given to us, no order has been passed by the Company

Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

6. The maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) Details of dues of income-tax, sales-tax, service tax, customs duty, excise duty, and value added tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount unpaid (Rupees)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	FY 1996-97	35,76,000
		Commissioner of Central Excise	FY 1997-98	8,12,000
		Superintendent of Central Excise	FY 1998-99	35,56,000
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 1992-93	23,66,859
Maharashtra Value Added Tax, 2002	Value Added Tax	Dy. Commissioner of Sales Tax (Appeals)	FY 2008-09	2,28,870
		Dy. Commissioner of Sales Tax (Appeals)	FY 2009-10	5,14,682

8. In our opinion and according to the information and explanations given to us, the Company has not

defaulted in repayment of loans or borrowings to banks and government. The Company has not borrowed from financial institutions and has not issued any debentures.

9. In our opinion and according to the information and explanations given to us, money raised by way of further public offer (rights offer) in the earlier years, have been applied by the Company during the year for the purposes as revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of public offer of debt instruments or term loans.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year other than that disclosed in Note 34 to the financial statements.
11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable,

for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner

Membership Number: 100459

Nashik, 27th April, 2016

CEO AND CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer and Chief Financial Officer, to the best of our knowledge and belief certify that:

- A) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief, We confirm that:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 are fraudulent, illegal or violative of the Company's code of conduct/ethics.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, over financial reporting, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the Auditors and the Audit Committee that:
 - 1) there has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) there has not been any significant change in the accounting policies during the year requiring the disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the Management or any employee having a significant role in the Company's internal control system over financial reporting.

Mayur Bumb
Chief Financial Officer

Sanjeev Mohoni
Chief Executive Officer

Nashik, 27th April, 2016

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	276,604,220	276,463,140
(b) Reserves and surplus	3	963,585,123	867,753,710
		<u>1,240,189,343</u>	<u>1,144,216,850</u>
2. Non-current liabilities			
(a) Long-term borrowings	4	2,684,436	4,261,666
(b) Other Non-current liabilities	5	10,908,423	1,199,000
(c) Long-term provisions	6	16,871,479	16,279,095
		<u>30,464,338</u>	<u>21,739,761</u>
3. Current liabilities			
(a) Trade Payables	7		
(i) total outstanding dues of micro enterprises and small enterprises		35,219,275	28,671,551
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		224,973,446	209,808,815
(c) Other current liabilities	8	120,001,343	106,710,091
(d) Short-term provisions	9	37,604,593	10,446,708
		<u>417,798,657</u>	<u>355,637,165</u>
TOTAL		<u><u>1,688,452,338</u></u>	<u><u>1,521,593,776</u></u>
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10A	285,878,772	297,649,894
(ii) Intangible assets	10B	1,665,747	2,334,065
(iii) Capital work-in-progress		-	1,804,761
(iv) Intangible assets under development		3,268,000	-
		<u>290,812,519</u>	<u>301,788,720</u>
(b) Deferred tax assets (net)	11	17,058,826	-
(c) Long-term loans and advances	12	70,772,606	62,487,128
(d) Other non-current assets	13	6,447,490	6,180,400
		<u>385,091,441</u>	<u>370,456,248</u>
2. Current assets			
(a) Current investments	14	-	55,000
(b) Inventories	15	278,292,691	282,809,501
(c) Trade receivables	16	756,501,916	570,086,629
(d) Cash and bank balances	17	235,733,749	269,950,366
(e) Short-term loans and advances	18	11,984,730	11,525,488
(f) Other current assets	19	20,847,811	16,710,544
		<u>1,303,360,897</u>	<u>1,151,137,528</u>
TOTAL		<u><u>1,688,452,338</u></u>	<u><u>1,521,593,776</u></u>

See accompanying notes to the financial statements

1-36

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered AccountantsAshok Sharma
S. Durgashankar
Nikhilesh Panchal
Vinayak Patil
Anand Daga
Sanjeev Mohoni
Mayur Bumb
R. V. Nawghare

Managing Director

Directors

Chief Executive Officer
Chief Financial Officer
Company SecretaryKetan Vora
PartnerPlace : Nashik
Date : April 27, 2016Place : Nashik
Date : April 27, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
1. Revenue from operations (Gross)	20	2,049,178,935	1,692,159,323
Less: Excise Duty		1,354,585	307,118
Revenue from operations (Net)		2,047,824,350	1,691,852,205
2. Other income	21	24,302,544	25,625,872
3. Total revenue (1 + 2)		2,072,126,894	1,717,478,077
4. Expenses			
(a) Cost of materials consumed	22	1,154,045,778	973,812,067
(b) Purchases of Stock in Trade		61,939,089	55,199,916
(c) Changes in inventories of finished goods, work-in-progress and stock in trade	23	404,822	45,666,940
(d) Employee benefits expense	24	211,849,397	197,343,386
(e) Finance costs	25	4,595,224	11,956,250
(f) Depreciation and amortisation expense	10C	26,986,776	27,375,842
(g) Other expenses	26	502,869,272	379,375,289
Total expenses		1,962,690,358	1,690,729,690
5. Profit before tax (3 – 4)		109,436,536	26,748,387
6. Tax expense:			
(a) Current tax expense		42,200,500	8,800,000
(b) Excess Provision for tax relating to prior years (net of MAT credit)		(7,530,000)	–
(c) Net current tax expense		34,670,500	8,800,000
(d) Deferred tax credit		(17,058,826)	–
		17,611,674	8,800,000
7. Profit for the year (5 – 6)		91,824,862	17,948,387
8. Earnings per share (Face Value of Rs. 10/- each):	33		
(a) Basic		3.32	0.65
(b) Diluted		3.31	0.65
See accompanying notes to the financial statements	1-36		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Nashik
Date : April 27, 2016

For and on behalf of the Board of Directors

Ashok Sharma
S. Durgashankar
Nikhilesh Panchal
Vinayak Patil
Anand Daga
Sanjeev Mohoni
Mayur Bumb
R. V. Nawghare

Place : Nashik
Date : April 27, 2016

Managing Director

Directors

Chief Executive Officer
Chief Financial Officer
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Rupees	Rupees	Rupees	Rupees
A. Cash flow from operating activities				
Net Profit before tax		109,436,536		26,748,387
<u>Adjustments for:</u>				
Depreciation and amortisation	26,986,776		27,375,842	
Net (Profit)/Loss on sale/write off of assets	(4,521)		611,297	
Expense on employee stock option scheme	4,006,551		2,590,305	
Finance costs	4,595,224		11,956,250	
Interest income	(16,033,697)		(22,882,195)	
Profit on sale of current investments	(719,771)		(705,545)	
Liabilities/provisions no longer required written back	(3,721,016)		(358,991)	
Provision for doubtful trade and other receivables, loans and advances (net)	3,291,114		62,505,534	
Bad trade and other receivables, loans and advances written off	66,012,797		7,120,051	
		<u>84,413,457</u>		<u>88,212,548</u>
Operating profit before working capital changes		193,849,993		114,960,935
<u>Changes in working capital:</u>				
Adjustments for (increase)/decrease in operating assets:				
Inventories	4,516,810		76,649,016	
Trade receivables	(253,743,484)		(59,649,370)	
Short-term loans and advances	(2,702,046)		18,600,445	
Long-term loans and advances	1,590,245		502,198	
Other current assets	(5,039,782)		10,066,439	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	24,423,032		37,954,992	
Other current liabilities	13,835,589		(2,208,905)	
Short-term provisions	(885,043)		2,326,304	
Long-term provisions	592,384		3,948,881	
Other Non-current liabilities	9,709,423		1,199,000	
		<u>(207,702,872)</u>		<u>89,389,000</u>
Cash (used in)/generated from operations		<u>(13,852,879)</u>		<u>204,349,935</u>
Net income tax paid		<u>(14,438,396)</u>		<u>(11,132,877)</u>
Net cash flow (used in)/generated from operating activities (A)		<u>(28,291,275)</u>		<u>193,217,058</u>
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(19,529,702)		(14,594,669)	
Proceeds from sale of fixed assets	553,576		28,659	
Purchase of Current Investments	(115,000,000)		(210,000,000)	
Sale of Current Investments	115,774,771		210,705,545	
Bank balances not considered as Cash and cash equivalents				
- Matured/(Placed)-Net	60,005,310		7,907,852	
Interest received	16,936,212		22,258,144	
Net cash flow from/(used in) investing activities (B)		<u>58,740,167</u>		<u>16,305,531</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (CONTD.)

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Rupees	Rupees	Rupees	Rupees
C. Cash flow from financing activities				
Proceeds from issue of equity shares	141,080		214,375	
Repayment of short-term borrowing	(335,000)		(186,000)	
Repayment of long-term borrowings	(3,144,207)		(155,443,171)	
Finance costs paid	(1,322,072)		(18,694,044)	
Net cash flow (used in) financing activities (C)		(4,660,199)		(174,108,840)
Net increase in Cash and cash equivalents (A+B+C)		25,788,693		35,413,749
Cash and cash equivalents at the beginning of the year		136,794,019		101,380,270
Cash and cash equivalents at the end of the year		162,582,712		136,794,019
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet [Refer Note no. 17]		235,733,749		269,950,366
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements				
Balances with banks held as margin money/security against borrowings and guarantees		58,038,426		84,884,976
Earmarked balances with banks		15,112,611		48,271,371
Net Cash and cash equivalents [as defined in AS 3 Cash Flow Statements] included in Note no. 17		162,582,712		136,794,019
Cash and cash equivalents at the end of the year comprises				
(a) Cash on hand		150,949		301,764
(b) Balances with banks				
(i) In current accounts		41,382,388		55,514,970
(ii) In deposit accounts		121,049,375		80,977,285
		162,582,712		136,794,019

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place : Nashik
Date : April 27, 2016

For and on behalf of the Board of Directors

Ashok Sharma
S. Durgashankar
Nikhilesh Panchal
Vinayak Patil
Anand Daga
Sanjeev Mohoni
Mayur Bumb
R. V. Nawghare

Place : Nashik
Date : April 27, 2016

Managing Director

Directors

Chief Executive Officer
Chief Financial Officer
Company Secretary

Notes to the Financial Statements

NOTE NO. 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information:

EPC Industrié Limited is a Public Limited Company. It was incorporated on November 28, 1981 under the Companies Act, 1956. It is engaged in the business of Micro Irrigation Systems such as Drip and Sprinklers, Agricultural Pumps, Greenhouses and Land Scene Products. The Company is a subsidiary of Mahindra and Mahindra Limited.

B. Basis of Accounting:

The financial statements are prepared in accordance with the generally accepted accounting principles in Indian (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"), read with relevant Rules and provisions of the 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets acquired before June 24, 1998, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

C. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balance of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Differences, if any, between the actual results and estimates, is recognised in the period in which the results are known/materialise.

D. Tangible Assets:

Fixed assets are carried at cost less accumulated depreciation/impairment losses, if any. Cost includes cost of acquisition or construction and is stated at historical cost.

Fixed Assets (other than Office Premises at Ahmedabad, Furniture & Fixtures, Office Equipments and Vehicles) have been revalued as on June 24, 1998 and the resultant surplus has been added to the block of the assets.

Depreciation on all assets, is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for Continuous Process Plant which is depreciated over a period of 19 years. Leasehold Assets are written off over the period of lease. Depreciation on additions to assets or on sale/disposal of assets is calculated from the beginning of the month of such addition or up to the month of such sale/scrapped as the case may be.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

E. Intangible Assets:

Intangible assets are recognised only when economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. They are being amortised over the estimated useful life of three years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

F. Impairment of Assets:

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer

Notes to the Financial Statements (Contd.)

exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

G. Investments:

Long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are valued at the lower of cost and fair value.

H. Inventories:

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost and net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost and net realisable value whichever is lower. Excise duty is included in the value of finished goods where applicable. Cost is determined on the basis of the weighted average method.

Stores, Spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost and estimated net realisable value, whichever is lower.

I. Foreign Exchange Transactions:

Transaction in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year is recognised as income or expense, as the case may be.

J. Revenue recognition:

Sales of goods are recognised, net of estimated returns and trade discounts. Sales include excise duty but exclude sales tax and value added tax.

Revenue is recognised when the risks and rewards of ownership are passed on to the customers and no significant uncertainty as to its measurability and collectability exists.

In case of Greenhouse & Landscape business, revenue recognition is based on percentage completion method.

In respect of sale of services, revenue is recognised in the statement of profit and loss proportionately with the degree of completion of services under the contract. The degree of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

K. Other income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rates. Dividend income is accounted for when the right to receive it is established.

L. Government Grants:

Capital Incentive Subsidy, not specifically related to fixed assets, is credited to Capital Incentive Reserve and retained till the requisite conditions are fulfilled. The Company is entitled to various incentives from government authorities. The Company accounts for its entitlement as income on accrual basis and no significant uncertainty as to its measurability and collectability exists.

M. Employee benefits:

a) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia, are recognised in the period in which the employee renders the related service.

Notes to the Financial Statements (Contd.)

b) Post-employment benefits

(i) Defined contribution plans

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.

(ii) Defined benefit plans

The employees gratuity fund scheme, managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined plans to recognise the obligation on the net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense on a straight line basis over the period until benefit become vested.

c) Long term employee benefits

The obligation for long term employee benefits such as long term compensated absences, long service award, etc. is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

d) Employee Stock Compensation Cost

The Company has formulated Employee Stock Option Schemes (ESOS) ("the Scheme") in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which is now replaced with the SEBI (Share Based Employee Benefits) Regulations, 2014. The Scheme provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

N. Leases:

In respect of operating leases, lease payments are recognised as expenses and Lease income are recognised as income on a straight line basis over the lease term. Initial direct costs are recognised immediately as expenses.

O. Borrowing Costs:

All borrowing costs are charged to the Statement of Profit and Loss except:

- (a) Borrowing costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (b) Expenses incurred on raising long term borrowing are amortised over the period of borrowing. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

P. Product Warranty:

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

Notes to the Financial Statements (Contd.)

Q. Taxes on income:

Income Taxes are accounted for in accordance with Accounting Standard on “Accounting for Taxes on Income”, (AS-22). Tax expenses comprise both current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act 1961, and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax asset is measured based on the tax rates and the laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

R. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Share issues expenses:

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 57 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account.

NOTE NO. 2 - SHARE CAPITAL

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Rupees	Number of Shares	Rupees
(a) Authorised				
Equity shares of Rs. 10 each	32,000,000	320,000,000	32,000,000	320,000,000
Preference shares of Rs. 100 each	1,800,000	180,000,000	1,800,000	180,000,000
	<u>33,800,000</u>	<u>500,000,000</u>	<u>33,800,000</u>	<u>500,000,000</u>
(b) Issued				
Equity shares of Rs. 10 each	27,662,372	276,623,720	27,648,264	276,482,640
		<u>276,623,720</u>		<u>276,482,640</u>
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each	27,658,472	276,584,720	27,644,364	276,443,640
(d) Forfeited Shares (Amount originally paid-up)	3,900	19,500	3,900	19,500
Total		<u><u>276,604,220</u></u>		<u><u>276,463,140</u></u>

Notes to the Financial Statements (Contd.)

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Rupees	Number of Shares	Rupees
Balance as at the beginning of the year	27,644,364	276,443,640	27,638,239	276,382,390
Add: Issued during the year - ESOS	14,108	141,080	6,125	61,250
Balance as at the end of the year	<u>27,658,472</u>	<u>276,584,720</u>	<u>27,644,364</u>	<u>276,443,640</u>

Rights, preferences and restrictions attached to the equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by the holding company

1,51,44,433 shares (As at March 31, 2015: 1,51,44,433 shares) are held by the Holding Company viz., Mahindra and Mahindra Limited.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% holding	Number of Shares	% holding
Mahindra and Mahindra Limited	15,144,433	54.76%	15,144,433	54.78%

Shares reserved for issue under options

Shares reserved for issue under options 5,38,657 shares (As at March 31, 2015 - 5,52,765 shares) of Rs. 10 each towards outstanding employee stock options granted [Refer Note No. 28]

Particulars	As at	As at
	March 31, 2016 Rupees	March 31, 2015 Rupees

NOTE NO. 3 - RESERVES AND SURPLUS

(a) Capital incentive reserve		
Closing balance	4,000,000	4,000,000
(b) Securities premium account		
Opening balance	916,142,215	915,811,465
Add: Premium received on shares allotted during the year	-	153,125
Add: Transferred from Shares options outstanding account	2,360,907	177,625
Closing balance	<u>918,503,122</u>	<u>916,142,215</u>
(c) Revaluation reserve		
Closing balance	<u>28,690,775</u>	<u>28,690,775</u>
(d) Share options outstanding account		
Opening balance	13,458,956	213,875
Add: Amounts recorded on grants during the year	478,167	13,458,956
	<u>13,937,123</u>	<u>13,672,831</u>
Less: Amounts reduced on grants lapsed during the year	(2,206,676)	(36,250)
Less: Transferred to Securities premium account on exercise	(2,360,907)	(177,625)
	<u>9,369,540</u>	<u>13,458,956</u>
Less: Deferred stock compensation expense	(5,131,327)	(10,866,387)
Closing balance	<u>4,238,213</u>	<u>2,592,569</u>

Notes to the Financial Statements (Contd.)

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
(e) General Reserve		
Closing balance	13,853,275	13,853,275
(f) Deficit in Statement of Profit and Loss		
Opening balance	(97,525,124)	(108,547,273)
Add: Profit for the year	91,824,862	17,948,387
Less:- Depreciation on transition to Schedule II to the Companies Act, 2013	-	(6,926,238)
Closing balance	(5,700,262)	(97,525,124)
Total	963,585,123	867,753,710

NOTE NO. 4 - LONG-TERM BORROWINGS

Unsecured

Deferred payment liabilities	2,684,436	4,261,666
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[Sales Tax Deferral Scheme is payable in 5 annual instalments after 10 years from the year of availment of respective incentive. These loans are repayable:

- (i) In the second year - Rs. 6,11,406 (As at March 31, 2015 Rs. 17,40,505)
- (ii) In the third to fifth year - Rs. 18,34,218 (As at March 31, 2015 Rs. 17,36,253)
- (iii) After five years - Rs. 2,38,812 (As at March 31, 2015 Rs. 7,84,908)]

Total	2,684,436	4,261,666
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NOTE NO. 5 - OTHER NON-CURRENT LIABILITIES

Trade/security deposits received	10,908,423	1,199,000
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Total	10,908,423	1,199,000
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NOTE NO. 6 - LONG-TERM PROVISIONS

Provision for compensated absences [Refer Note no. 29(b)]	7,078,831	9,526,447
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Provision for warranty [Refer Note no. 35]	9,792,648	6,752,648
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Total	16,871,479	16,279,095
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NOTE NO. 7 - TRADE PAYABLES

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as below:

(a) Dues remaining unpaid as at March 31		
Principal	35,219,275	28,671,551
Interest on the above	174,393	75,985
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	172,619,705	61,188,701
Interest paid in terms of Section 16 of the Act	-	-

Notes to the Financial Statements (Contd.)

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	3,567,610	1,559,801
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	1,341,142	116,740
(e) Amount of interest accrued and remaining unpaid as at March 31	5,083,145	1,752,526

Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTE NO. 8 - OTHER CURRENT LIABILITIES

(a) Current maturities of long-term debt		
Unsecured		
Deferred payment liabilities	1,740,505	3,144,207
(b) Interest accrued on trade Payables	5,083,145	1,752,526
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	8,827,061	8,577,082
(ii) Payables on purchase of fixed assets	282,300	1,187,473
(iii) Trade/security deposits received	26,068,275	32,538,602
(iv) Advances from customers	76,705,840	56,864,577
(v) Others - Employee Deductions	496,674	445,275
(vi) Provision for liabilities	707,041	1,717,380
(vii) Unclaimed matured public deposits and interest	90,502	482,969
Total	120,001,343	106,710,091

NOTE NO. 9 - SHORT-TERM PROVISIONS

(a) Provision for employee benefits:		
(i) Provision for compensated absences	3,000,325	3,106,000
(ii) Provision for gratuity (net) [Refer Note no. 29 (b)]	24,319	5,406,808
(b) Provision for tax	28,176,828	133,900
[Advance tax Rs. 1,51,73,172 (As at March 31, 2015 Rs. 10,62,200)]		
(c) Provision for Warranty [Refer Note no. 35]	6,403,121	1,800,000
Total	37,604,593	10,446,708

Notes to the Financial Statements (Contd.)

NOTE NO. 11 - DEFERRED TAX ASSETS (NET)

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	40,663,459	37,252,418
Tax effect of items constituting deferred tax liability	40,663,459	37,252,418
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences and gratuity	3,496,611	5,964,319
Provision for doubtful debts/advances	35,828,540	33,688,064
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	18,397,134	22,147,819
Unabsorbed depreciation	-	10,786,371*
Tax effect of items constituting deferred tax assets	57,722,285	72,586,573
Restricted to the extent of deferred tax liability	-	37,252,418
Net deferred tax asset	17,058,826	-

* The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax net off of other balances constituting deferred tax asset.

NOTE NO. 12 - LONG-TERM LOANS AND ADVANCES

Unsecured, considered good, unless otherwise stated		
(a) Capital advances	3,195,029	1,130,130
(b) Security deposits	9,159,147	7,737,483
(c) Prepaid Expenses	664,281	1,068,407
(d) Advance income tax	24,610,169	18,681,221
[Net of provisions Rs. 1,77,94,752 (As at March 31, 2015 Rs. 2,31,15,142)]		
(e) MAT credit entitlement	16,447,018	14,565,142
(f) Balances with government authorities		
(i) CENVAT credit receivable	17,660	2,625,443
(ii) Excise Refund Claim	16,679,302	16,679,302
Total	70,772,606	62,487,128

NOTE NO. 13 - OTHER NON-CURRENT ASSETS

Trade receivables		
Unsecured, considered good	6,447,490	6,180,400
Doubtful	971,802	936,199
	7,419,292	7,116,599
Less: Provision for doubtful trade receivables	971,802	936,199
Total	6,447,490	6,180,400

Notes to the Financial Statements (Contd.)

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
NOTE NO. 14 - CURRENT INVESTMENTS		
Current maturity of long-term investments in government securities - National Savings Certificates [Pledged with sales tax authority, Aggregate face value of Rs. 55,000]	-	55,000
Total	<u>-</u>	<u>55,000</u>
NOTE NO. 15 - INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials & Components	154,392,277	158,504,265
[Goods-in-transit Rs. 1,58,22,141 (As at March 31, 2015 Rs. 28,84,665)]		
(b) Work-in-progress	6,029,067	5,007,858
(c) Finished goods	95,820,906	93,019,951
(d) Stock-in-Trade	22,050,441	26,277,427
[Goods-in-transit Rs. Nil (As at March 31, 2015 Rs. 19,10,285)]		
Total	<u>278,292,691</u>	<u>282,809,501</u>
NOTE NO. 16 - TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	184,750,599	94,409,981
Doubtful	97,719,690	100,954,324
	<u>282,470,289</u>	<u>195,364,305</u>
Less: Provision for doubtful trade receivables	97,719,690	100,954,324
	<u>184,750,599</u>	<u>94,409,981</u>
Other Trade receivables		
Unsecured, considered good	571,751,317	475,676,648
Total	<u>756,501,916</u>	<u>570,086,629</u>
Debts due from a private company in which a director is a director or member	104	77,215
NOTE NO. 17 - CASH AND BANK BALANCES		
(A) Cash and cash equivalents		
Cash on hand	150,949	301,764
Balances with banks		
(i) In current accounts	41,382,388	55,514,970
(ii) In deposit accounts	121,049,375	80,977,285

Notes to the Financial Statements (Contd.)

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
(B) Other bank balances		
(i) Balances with banks held as margin money/security against borrowings and guarantees*	58,038,426	84,884,976
(ii) Earmarked balances with banks**	15,112,611	48,271,371
Total	235,733,749	269,950,366

* Includes margin monies amounting to Rs. 2,92,00,569 [As at March 31, 2015 Rs. 5,11,98,083] with maturity greater than 12 months from the Balance Sheet date.

** Includes Rs. 52,611 [As at March 31, 2015 Rs. 1,10,078] towards interest payable on Public Deposits Rs. 60,000 [As at March 31, 2015 Rs. 3,95,000] toward unclaimed Public Deposits, Rs. 1,50,00,000 [As at March 31, 2015 Rs. 4,77,66,293] being unutilised proceeds out of the Rights Issue.

NOTE NO. 18 - SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good, unless otherwise stated)

(a) Security deposits	964,198	522,800
(b) Loans and advances to employees	1,077,982	1,543,250
(c) Prepaid expenses	2,417,871	2,986,471
(d) Balances with government authorities		
(i) VAT credit receivable	720,465	1,690,637
(ii) Advance Service Tax/Entry Tax/Customs duty	405,511	58,676
(e) Others		
(i) Advances to Creditors		
Considered Good	6,398,703	4,723,405
Doubtful	2,192,460	2,592,460
Less: Provision for doubtful advances	<u>(2,192,460)</u>	<u>(2,592,460)</u>
	6,398,703	4,723,405
(ii) Advances Recoverable		
Considered Good	-	249
Doubtful	2,642,804	-
Less: Provision for doubtful advances	<u>(2,642,804)</u>	<u>-</u>
	-	249
Total	11,984,730	11,525,488

NOTE NO. 19 - OTHER CURRENT ASSETS

Octroi Refund Receivable	19,611,343	14,567,561
Interest accrued on deposits	1,236,468	2,138,983
Insurance Claim Receivable	-	4,000
Total	20,847,811	16,710,544

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
NOTE NO. 20 - REVENUE FROM OPERATIONS (GROSS)		
(a) Sale of products (Refer Note (i) below)	1,997,588,879	1,637,673,728
(b) Sale of services (Refer Note (ii) below)	28,888,714	14,910,674
(c) Other operating revenues (Refer Note (iii) below)	22,701,342	39,574,921
Total	2,049,178,935	1,692,159,323
Notes		
(i) Sale of products comprises:		
<u>Manufactured goods:</u>		
Finished Goods	1,344,791,817	1,198,850,358
Components	531,577,218	391,467,183
Green House	35,116,562	5,022,898
Traded Goods	86,103,282	42,333,289
Total - Sale of products	1,997,588,879	1,637,673,728
(ii) Sale of services comprises:		
Agronomy Services	1,299,759	1,488,845
Installation Services	11,608,536	4,524,995
Land Scape Services	15,980,419	8,896,834
Total - Sale of services	28,888,714	14,910,674
(iii) Other operating revenues comprise:		
Sale of scrap	3,095,559	4,486,360
Octroi Refund	19,605,783	35,088,561
Total - Other operating revenues	22,701,342	39,574,921
NOTE NO. 21 - OTHER INCOME		
(a) Interest income		
On deposits with banks	15,666,273	22,526,125
Interest on Deposits/Debtors	367,424	356,070
(b) Other non-operating income		
Liabilities no longer required written back	3,721,016	358,991
Profit on sale of Current Investments	719,771	705,545
Miscellaneous income	1,925,971	1,027,756
Discount earned	1,853,342	638,770
Bad debts recovered	44,226	12,615
Profit on sale of Fixed Assets (Net)	4,521	-
Total	24,302,544	25,625,872

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
NOTE NO. 22 - COST OF MATERIALS CONSUMED		
Opening stock	158,504,265	189,486,341
Add: Purchases	1,149,933,790	942,829,991
	<u>1,308,438,055</u>	<u>1,132,316,332</u>
Less: Closing stock	154,392,277	158,504,265
Total	<u><u>1,154,045,778</u></u>	<u><u>973,812,067</u></u>
Material consumed comprises:		
Raw Material - Plastic Granules	692,565,908	584,281,884
Components	461,479,870	389,530,183
Total	<u><u>1,154,045,778</u></u>	<u><u>973,812,067</u></u>
NOTE NO. 23 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
<u>Inventories at the end of the year:</u>		
Finished goods	95,820,906	93,019,951
Work-in-progress	6,029,067	5,007,858
Stock-in-trade	22,050,441	26,277,427
	<u>123,900,414</u>	<u>124,305,236</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	93,019,951	149,560,628
Work-in-progress	5,007,858	14,884,925
Stock-in-trade	26,277,427	5,526,623
	<u>124,305,236</u>	<u>169,972,176</u>
Net decrease	<u><u>404,822</u></u>	<u><u>45,666,940</u></u>
NOTE NO. 24 - EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	193,156,268	172,183,828
Contributions to provident and other funds [Refer Note no. 29 (a)]	5,664,132	13,880,169
Expense on employee stock option scheme [Refer Note no. 28]	4,006,551	2,590,305
Staff welfare expenses	9,022,446	8,689,084
Total	<u><u>211,849,397</u></u>	<u><u>197,343,386</u></u>

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
NOTE NO. 25 - FINANCE COSTS		
(a) Interest expense on:		
(i) Borrowings		
Cash Credit	402,514	322,532
Public Deposits	-	8,836,170
(ii) Trade payables	3,330,576	1,755,409
(iii) Others		
Interest on delayed payment of taxes	60,188	5,906
Interest on liabilities	15,448	-
(b) Other borrowing costs		
Processing fees/Guarantee Commission	786,498	1,036,233
Total	4,595,224	11,956,250
NOTE NO. 26 - OTHER EXPENSES		
Consumption of stores and spare parts	5,708,624	4,371,214
Consumption of packing materials	11,362,052	7,539,498
Power and fuel	39,313,114	27,751,924
Rent including lease rentals	14,866,403	13,477,688
Repairs and maintenance - Buildings	2,504,101	2,005,412
Repairs and maintenance - Machinery	5,538,134	3,631,643
Repairs and maintenance - Others	4,351,475	2,419,199
Manufacturing Processing Charges	-	8,776,987
Site Expenses	8,678,213	7,575,695
Installation Expenses	20,126,515	135,258
Insurance	1,462,083	1,655,738
Rates and taxes	6,623,830	3,122,608
Communication	5,553,208	5,595,942
Travelling and conveyance	42,440,931	39,071,140
Printing and stationery	2,310,754	2,552,574
Freight and forwarding	61,155,571	43,882,220
Sales commission	126,505,482	78,086,857
Warranty Claim	12,204,777	5,677,413
Sales promotion expense	1,922,947	1,369,595
Advertisements	6,826,549	8,028,494
Legal and professional fees	24,269,015	23,198,598
Payments to auditors [Refer Note below]	3,696,116	2,534,847
Bad trade and other receivables, loans and advances written off	66,012,797	7,120,051
Loss on fixed assets sold/scrapped/written off	-	611,297
Net Loss on foreign currency transactions	481,855	148,184
Provision for doubtful trade receivables and advances (net)	3,291,114	62,505,534

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Directors' Fees and Commission	1,944,365	240,000
Donations for CSR activity	547,200	970,000
Expenditure on Corporate Social Responsibility activities	569,575	409,980
Labour Charges	11,418,435	7,071,748
Miscellaneous expenses	11,184,037	7,837,951
Total	502,869,272	379,375,289

Note:

Payments to the auditors comprises (including Service tax):

a) To Statutory auditors		
For audit	2,547,625	1,755,625
For other services	900,025	560,396
Reimbursement of expenses	76,716	50,286
	3,524,366	2,366,307
b) To Cost auditors for Cost audit	171,750	168,540
Total	3,696,116	2,534,847

NOTE NO. 27 - ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

27.1 Contingent liabilities (to the extent not provided for)

(a) Claims against the Company not acknowledged as debts	3,366,138	2,649,921
(b) Custom Duty/Interest on account of commitment to Export, under Export Promotion Capital Goods Scheme	23,891,859	21,886,226
(c) Demands against the Company, relating to issues of deductibility and taxability in respect of which the company is in appeal/Department is in appeal		
Income Tax:	4,733,718	4,933,598
Sales Tax:	743,552	743,552
Excise Duty:	7,944,000	7,944,000
(d) Long Term Loans & Advances include refund claim made for excise duty paid under protest consequent upon the judicial pronouncement made by CESTAT in favour of the Company, which was disputed by the department before higher authorities.	16,679,302	16,679,302

The Commissioner (Appeals), Central Excise and Customs, Nashik has sanctioned the claim on merit but taking recourse to the principle of "Unjust Enrichment" has ordered the claim to be transferred to the credit of the "Consumer Welfare Fund".

The Company had filed an appeal against the order. On hearing the appeal the Hon' CESTAT, Mumbai remanded back the case to the adjudicating authorities to examine the issue afresh. The Adjudicating Authority issued a Show Cause Notice and after personal hearing passed an order rejecting the claim without following the guidelines given by the Hon' CESTAT.

The Company had filed an appeal against the order with the Commissioner (Appeals), Central Excise & Customs, Nashik. The order Passed by the Commissioner (Appeals), Central Excise & Customs, Nashik is similar to order as given in order in appeal. The Company has filed an appeal to CESTAT Mumbai and no hearing has happened thereafter. The Claim is still tenable, no provision has been considered.

Note: In respect of items mentioned above, till the matters are finally decided, the timing of outflows of economic benefits cannot be ascertained.

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees	
27.2 Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of Tangible assets.	5,016,509	1,376,038	
27.3 The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:			
Payable : USD	5,637	162,596	
Rupees	373,027	10,176,865	
Receivable : USD	150	1,397	
Rupees	9,926	87,438	
27.4 Disclosure under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015			
The Company has not given any loans and advances in the nature of loans to subsidiaries, associates and firms/companies in which directors are interested. Further, The Company has not made any loans and advances where there is no repayment schedule or repayment beyond seven years or no interest or interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenure of the loan as per Section 186 of the Companies Act, 2013.			
27.5 There are no amounts due to Investor Education and Protection Fund.			
27.6 Disclosure required in terms of Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015			
In June, 2012, the Company had allotted 1,03,58,199 equity shares at a price of Rs. 40 per share (including a premium of Rs. 30/- per share) resulting in total issue size of Rs. 41,43,27,960 under the Rights Issue.			
The uses and application of funds raised under the Rights Issue are given as under:			
	Actual Utilisation	Revised Proposed Utilisation	Proposed Utilisation
Issue Related Expenses	13,018,040	13,018,040	13,018,040
Procurement of plant and machinery	6,926,626	21,926,626	54,692,920
Working capital requirements	302,766,294	302,766,294	270,000,000
General Corporate Purposes	76,617,000	76,617,000	76,617,000
Funds Utilised	399,327,960	414,327,960	414,327,960
Un-utilised Rights Issue proceeds*	15,000,000	-	-
Total	414,327,960	414,327,960	414,327,960
* Temporarily invested in Fixed Deposits with Banks.			
		For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
27.7 Value of imports calculated on CIF basis:			
Raw materials and Components		19,544,700	39,800,782
		19,544,700	39,800,782
27.8 Expenditure in foreign currency:			
Travelling		193,707	300,244
		193,707	300,244

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
27.9 Earnings in foreign currency:		
(i) Export of goods on F.O.B. Basis	1,183,308	932,248
(ii) Freight & Insurance	105,519	150,309
	<u>1,288,827</u>	<u>1,082,557</u>
27.10 Details of consumption of imported and indigenous items:		
<u>Imported</u>		
Raw materials and Components	18,466,537	16,318,649
	1.60%	1.68%
<u>Indigenous</u>		
Raw materials and Components	1,135,579,240	957,493,418
	98.40%	98.32%
	<u>1,154,045,777</u>	<u>973,812,067</u>
27.11 Value of imported and indigenous Spare Parts consumed is as follows:		
<u>Imported</u>		
Spare Parts	596,908	788,888
	10.46%	18.05%
<u>Indigenous</u>		
Spare Parts	5,111,716	3,582,326
	89.54%	81.95%
	<u>5,708,624</u>	<u>4,371,214</u>

NOTE NO. 28 - DISCLOSURES ON EMPLOYEE SHARE BASED PAYMENTS**Employee Stock Option Scheme**

- (a) Pursuant to the "Employees Stock Option Scheme - 2014" (ESOS) approved by the Shareholders in the Annual General Meeting held on July 31, 2014, the Company had granted 80,424 and 3228 Stock Options to the eligible employees on October 28, 2014 and October 31, 2015 respectively as per the recommendation of the Nomination and Remuneration Committee, at an exercise price of Rs. 10 /- each.

In respect of the options granted in 2014, the equity settled options vest in 5 tranches of 20% each upon the expiry of 12 months, 24 months, 36 months, 48 months and 60 months, respectively from the date of the grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 20% of the options vested, except in case of the last date of the exercise, where the employee can exercise all the options vested but not exercised till that date.

In respect of options granted in 2015, the equity settled options vest in 4 tranches of 25% each upon the expiry of 12 months, 24 months, 36 months and 48 months, respectively from the date of the grant. Each tranche is exercisable within one year from the respective date of vesting. The number of options exercisable in each tranche is minimum 25% of the options vested, except in case of the last date of the exercise, where the employee can exercise all the options vested but not exercised till that date.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

Notes to the Financial Statements (Contd.)

(b) Employee stock options details are as follows:

Particulars	During the year ended March 31, 2016		During the year ended March 31, 2015	
	Options (Numbers)	Weighted average exercise price per option (Rupees)	Options (Numbers)	Weighted average exercise price per option (Rupees)
Option outstanding at the beginning of the year	80,424	10	7,375	35
Granted during the year	3,228	10	80,424	10
Vested during the year	14,108	10	6,125	35
Exercised during the year	14,108	10	6,125	35
Lapsed during the year	13,185	10	1,250	35
Options outstanding at the end of the year	56,359	10	80,424	10

(c) The impact on Earnings per Share if the 'fair value' of the options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Net Profit (as reported)	91,824,862	17,948,387
Add: stock based employee compensation (intrinsic value)	4,006,551	2,590,305
Less: stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	(4,619,014)	(2,645,383)
Net Profit (proforma)	91,121,399	17,893,309
Basic earnings per share (as reported)	3.32	0.65
Basic earnings per share (proforma)	3.30	0.65
Diluted earnings per share (as reported)	3.31	0.65
Diluted earnings per share (proforma)	3.29	0.65

(d) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	Grant dated October 28, 2014 and October 31, 2015
Risk Free Interest Rate	8.06%
Expected Life	3.50 years
Expected Annual Volatility of Shares	55%
Expected Dividend Yield	Nil
Fare Value of options	170.97

NOTE NO. 29 - EMPLOYEE BENEFIT PLANS

(a) Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 71,69,514 [Year ended March 31, 2015 Rs. 70,79,141] for Provident Fund contributions and Rs. 18,66,675 [Year ended March 31, 2015 Rs. 18,71,565] for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes to the Financial Statements (Contd.)

(b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Compensated absences

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity Funded	Compensated Absence Unfunded	Gratuity Funded	Compensated Absence Unfunded
Components of employer expense				
Current service cost	2,877,474	2,154,061	4,374,080	2,974,039
Interest cost	1,643,561	555,090	1,560,257	447,733
Expected return on plan assets	(1,401,857)	–	(1,257,746)	–
Actuarial losses/(gains)	(6,377,688)	(2,473,598)	(1,037,507)	751,071
Total expense recognised in the Statement of Profit and Loss	(3,258,510)	235,553	3,639,084	4,172,843
Actual contribution and benefit payments for year				
Actual benefit payments	671,642	(2,149,891)	–	(1,651,694)
Actual contributions	21,586	2,149,891	707,685	1,651,694
Net asset/(liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	17,558,324	6,304,622	21,488,476	8,218,960
Fair value of plan assets	17,534,005	–	16,081,668	–
Funded status [Surplus/(Deficit)]	(24,319)	(6,304,622)	(5,406,808)	(8,218,960)
Net asset/(liability) recognised in the Balance Sheet	(24,319)	(6,304,622)	(5,406,808)	(8,218,960)
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	21,488,476	8,218,960	17,262,679	5,697,811
Current service cost	2,877,474	2,154,061	4,374,080	2,974,039
Interest cost	1,643,561	555,090	1,560,257	447,733
Actuarial (gains)/losses	(7,779,545)	(2,473,598)	(1,138,714)	751,071
Benefits paid	–	(2,149,891)	–	(1,651,694)
Benefit Paid Directly by Company	(671,642)	–	(569,826)	–
Present value of DBO at the end of the year	17,558,324	6,304,622	21,488,476	8,218,960
Change in fair value of assets during the year				
Plan assets at beginning of the year	16,081,668	–	14,217,444	–
Adjustment to Opening Balance	1,430,751	–	–	–
Expected return on plan assets	1,401,857	–	1,257,746	–
Actual company contributions	21,586	2,149,891	707,685	1,651,694

Notes to the Financial Statements (Contd.)

Rupees

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Gratuity Funded	Compensated Absence Unfunded	Gratuity Funded	Compensated Absence Unfunded
Actuarial gains/(losses)	(1,401,857)	–	(101,207)	–
Benefits paid	–	(2,149,891)	–	(1,651,694)
Plan assets at the end of the year	17,534,005	–	16,081,668	–
Actual return on plan assets	1,463,850	–	1,156,539	–
Composition of the plan assets is as follows:				
Insurer managed funds	17,534,005	–	16,081,668	–
Actuarial assumptions				
Discount rate	7.46%	7.46%	7.77%	7.77%
Expected return on plan assets	8.00%	8.00%	9.00%	9.00%
Salary escalation	6.50%	6.50%	10.00%	10.00%
Attrition	5.00%	5.00%	5.00%	5.00%
Mortality tables	LIC (2006-08) Ult.	LIC (2006-08) Ult.	LIC (2006-08) Ult.	LIC (2006-08) Ult.
Estimate of amount of contribution in the immediate next year	1,316,004	6,304,722	1,531,951	6,738,136

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Gratuity					
Present value of DBO	17,558,324	21,488,476	17,262,679	14,289,847	13,094,312
Fair value of plan assets	17,534,005	16,081,668	14,217,444	11,717,444	9,766,440
Funded status [Surplus/(Deficit)]	(24,319)	(5,406,808)	(3,045,235)	(2,572,403)	(3,327,872)
Experience gain/(loss) adjustments on plan liabilities	(2,783,442)	(3,684,263)	593,704	681,634	697,153
Experience gain/(loss) adjustments on plan assets	–	(101,207)	80,081	903,287	(912,595)
Compensated absences					
Present value of DBO	6,304,622	8,218,960	5,697,811	5,819,701	5,672,137
Fair value of plan assets	–	–	–	–	–
Funded status [Surplus/(Deficit)]	–	(8,218,960)	(5,697,811)	(5,819,701)	(5,672,137)
Experience gain/(loss) adjustments on plan liabilities	(380,546)	1,100,374	690,538	414,951	870,704
Experience gain/(loss) adjustments on plan assets	–	–	–	–	–

Notes to the Financial Statements (Contd.)

NOTE NO. 30 - RELATED PARTY DISCLOSURES

(a) Parties where control exists

Name	Relationship
Mahindra and Mahindra Limited	Holding Company

(b) Other related parties with whom transactions have been undertaken

Name	Relationship
Mahindra Logistics Limited	Fellow subsidiary
Mahindra ZHPC Pvt Ltd	Fellow subsidiary
Mahindra Lifespace Developers Ltd	Fellow subsidiary
Mr. Ashok Sharma	Key Management Personnel (Managing Director)
Mr. Sanjeev Mohoni	Key Management Personnel (Chief Executive Officer)
Mr. Mayur Bumb	Key Management Personnel (Chief Financial Officer)

(c) Details of related party transactions during the year and balances outstanding:

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Sale of goods		
Mahindra and Mahindra Ltd	7,000,000	-
Mahindra ZHPC Pvt Ltd	104	-
Mahindra Lifespace Developers Ltd	5,154,159	-
Purchase of Vehicles		
Mahindra and Mahindra Limited	-	1,428,068
Remuneration		
Mr. Ashok Sharma	12,30,000*	6,00,000*
Mr. Sanjeev Mohoni	84,74,167*	-
Mr. Mayur Bumb	3,688,770	3,253,573
Management contracts including for deputation of personnel		
Mahindra and Mahindra Limited	12,609,195	11,575,326
Mahindra Logistics Limited	393,076	387,642
Travelling Expense		
Mahindra and Mahindra Limited	327,360	1,099,020
Rent		
Mahindra and Mahindra Limited	-	495,797
Mahindra Logistics Limited	183,674	-
Reimbursement of expenses to		
Mahindra and Mahindra Limited	171,570	78,220
Professional Fees		
Mahindra and Mahindra Limited	1,606,500	3,147,168
Purchase of Intangible Assets		
Mahindra and Mahindra Limited	3,268,000	-
Balances outstanding at the end of the year		

Notes to the Financial Statements (Contd.)

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
Trade payables		
Mahindra and Mahindra Limited	4,874,500	19,046,849
Mahindra Logistics Limited	213,185	29,429
Balances outstanding at the end of the year		
Trade Receivables		
Mahindra and Mahindra Ltd	7,000,000	–
Mahindra ZHPC Pvt Ltd	104	–
Mahindra Lifespace Developers Ltd	3,396,765	–
Security Deposits		
Mahindra Lifespace Developers Ltd	174,392	–
* The amount has been reimbursed to the Holding Company.		
The Holding Company has confirmed that there will be no recovery of ESOP Cost from the Company in respect of employee deputed to the Company.		

NOTE NO. 31 - SEGMENT REPORTING

The Company is engaged in the business of 'Micro Irrigation System' (MIS). All other activities of the Company revolve around the main business and accordingly there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17).

NOTE NO. 32 - DETAILS OF LEASING ARRANGEMENTS

As Lessee

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are generally cancellable and are for a period of 11 months to 10 years under leave & license agreements and may be renewed by mutual consent on mutually agreeable terms.

Particulars	For the year ended March 31, 2016 Rupees	For the year ended March 31, 2015 Rupees
(i) Lease payments recognised in the Statement of Profit and Loss	12,446,475	10,850,604
(ii) Future minimum lease payments		
not later than one year	1,495,894	1,612,772
later than one year and not later than five years	1,366,716	932,228

NOTE NO. 33 - EARNINGS PER SHARE

Basic

Net Profit for the year attributable to the equity shareholders	91,824,862	17,948,387
No. of shares outstanding at the beginning of the year	27,644,364	27,638,239
Weighted average No. of Shares for ESOP	5,898	2,198
Weighted average No. of Shares outstanding during the year	27,650,262	27,640,437
Par value per share	10	10
Earnings per share - Basic	3.32	0.65

34th Annual Report 2015-16

Particulars	For the year	For the year
	ended March 31, 2016 Rupees	ended March 31, 2015 Rupees
Diluted		
Net Profit for the year attributable to equity shareholders (on dilution)	91,824,862	17,948,387
Weighted average number of equity shares for Basic EPS	27,650,262	27,640,437
Add: Effect of ESOPs which are dilutive	52,245	75,378
Weighted average number of equity shares - for diluted EPS	27,702,507	27,715,815
Par value per share	10	10
Earnings per share - Diluted	3.31	0.65

NOTE NO. 34 - PROVISION FOR FRAUD

During the year other expenses included a provision of Rs. 29,25,000 in respect of expected loss due to alleged misappropriation of funds by an ex-employee. The Company has already taken remedial action in the matter which is now under investigation with the appropriate authorities.

NOTE NO. 35 - PROVISION FOR WARRANTY

- (a) Provision for warranty is made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under a free warranty period ranging from 6 months to 5 years from the date of sale.
- (b) The movement in provision for warranty is as follows:

Particulars	For the year ended	For the year ended
	March 31, 2016 Rupees	March 31, 2015 Rupees
Balance as at April 1	8,552,648	7,000,000
Add: Provision made during the year	12,204,777	5,677,413
Less: Utilisation during the year	4,561,656	4,124,765
Balance as at March 31	<u>16,195,769</u>	<u>8,552,648</u>
Out of the above,		
Classified as Non Current	9,792,648	6,752,648
Classified as Current	6,403,121	1,800,000
	<u>16,195,769</u>	<u>8,552,648</u>

NOTE NO. 36 - PREVIOUS YEAR'S FIGURES

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Ashok Sharma
Managing Director

S. Durgashankar
Director

Nikhilesh Panchal
Director

Vinayak Patil
Director

Anand Daga
Director

Sanjeev Mohoni
Chief Executive Officer

Mayur Bumb
Chief Financial Officer

R. V. Nawghare
Company Secretary

Place : Nashik
Date : April 27, 2016

EPC Industrié Limited

CIN: L25200MH1981PLC025731
 Registered Office: Plot No. H-109, MIDC, Ambad, Nashik - 422010 • Tel: +91 253 2381081/82 • Fax: +91 253 2382975
 Website: www.epcmahindra.com • Email: info@epcind.com

THIRTY FOURTH ANNUAL GENERAL MEETING
 Friday, July 29, 2016 at 2.30 p.m.

ATTENDANCE SLIP

I/We hereby record my/our presence at the **34th ANNUAL GENERAL MEETING** of the Company on **Friday, July 29, 2016** at **2.30 p.m.** at the Registered Office of the Company at Plot No. H-109, MIDC Ambad, Nashik-422 010

Member's Folio/ DP ID-Client ID No. _____

Member's/Proxy's name in Block Letters _____

Member's/Proxy's Signature _____

Notes: 1. Please complete the Folio/DP ID Client ID No. and name, sign this Attendance Slip and hand it over at the entrance of the meeting hall. 2. Members holding shares in physical form are requested to advise the change in their address, if any, to the company quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s). 3. Members are requested to bring this slip along with them as duplicate slip will not be issued at the venue of the meeting. 4. Please read carefully the instructions given in the Notice of Thirty Fourth Annual General Meeting under the heading 'Voting through electronic means'.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL

EPC Industrié Limited

CIN: L25200MH1981PLC025731
 Registered Office: Plot No. H-109, MIDC, Ambad, Nashik - 422010 • Tel: +91 253 2381081/82 • Fax: +91 253 2382975
 Website: www.epcmahindra.com • Email: info@epcind.com

THIRTY FOURTH ANNUAL GENERAL MEETING
 Friday, July 29, 2016 at 2.30 p.m.

PROXY FORM

I/We, being the member(s) of _____ Shares of the above named Company, hereby appoint:

1. Name : _____ Address : _____
 E-mail ID : _____ Signature: _____, or failing him/her
2. Name : _____ Address : _____
 E-mail ID : _____ Signature: _____, or failing him/her
3. Name : _____ Address : _____
 E-mail ID : _____ Signature: _____, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **THIRTY FOURTH ANNUAL GENERAL MEETING** of the Company, to be held on **29th July, 2016** at **2.30 p.m.** at the Registered Office of the Company at Plot No.H-109, MIDC Ambad, Nashik-422 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Optional#	
		For	Against
1.	Adoption of the Audited Financial Statement and Reports of the Directors and Auditors.		
2.	Re-appointment of Ms. Sangeeta Prasad (DIN :02791944) who retires by rotation.		
3.	Appointment of Deloitte Haskins & Sells, as the Statutory Auditors of the Company and fixing their remuneration.		
4.	Special Resolution for appointment of Mr. Ashok Sharma (DIN:02766679) as a Managing Director and revision in remuneration.		
5.	Special Resolution for keeping Register of Members, other Registers and statutory documents at a place other than the registered office of the Company.		
6.	Ordinary Resolution for approval of Remuneration to M/s. Shilpa & Company, Cost Auditors.		

Signed this _____ day of _____ 2016
 Member's Folio/DP ID – Client ID No. _____ Signature of Member(s) _____
 Signature of Proxy holder(s) _____

**Affix
 Re. 1/-
 Revenue
 stamp**

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Thirty Fourth Annual General Meeting. #3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
 4. Please complete all details including details of member(s) in the above box before submission.

ELECTRONIC VOTING PARTICULARS

EVEN (E - Voting Event Number)	User ID	Password/Pin

Samriddhi



A Mahindra Group Company

EPC INDUSTRIÉ LIMITED

Plot No. H - 109, MIDC Ambad, Nashik 422 010, Maharashtra, INDIA.

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