

DIRECTORS' REPORT

The Members
Epic Energy Limited

Your Directors take pleasure in presenting to you the annual accounts and audit report for the year ended on 31st March, 2004.

FINANCIAL PERFORMANCE

	31st March 2004 Rupees	31st March 2003 Rupees
Gross Revenues	26,75,000	36,68,000
Gross Profit	3,17,830	8,94,234
Depreciation	0	3,15,933
Net Profit before Tax	3,17,830	5,78,301
Loss on Sale of Fixed Assets	29,80,000	0
Provision for Tax	24,000	50,000
Net Profit/(Loss) after Tax	(26,86,170)	5,28,301

PERFORMANCE REVIEW

The company's gross profit has fallen from Rs 5.28 lacs to Rs 3.17 lacs largely due to the company's focus on redefining and re-structuring its Business Plans and Objectives. Members must be aware that the Main Object Clause has been amended at the Extra Ordinary General Meeting of the company held on 3rd April, 2004. The name of the company has also been changed to Epic Energy Limited to reflect the new focus of the company. Your Directors are planning to launch projects in the energy sector in the current financial year.

FUTURE OUTLOOK

The company is on course to establish itself as a key player in the Energy industry. Areas identified for future growth include Solar Power and Wind Mills. Your Directors are confident that in the given economic scenario, your company will continue on its recovery path.

DIRECTORS

Mr Vispi Damania retires by rotation and being eligible offers herself for re-appointment. Your Directors commend his reappointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The Company had no Foreign Exchange inflows or outflows during the year. Since the company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

In the preparation of the accounts, the applicable accounting standards have been followed.

Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were

made, so as to give a true and fair view of the state of affairs of the company as on 31st March, 2004, and for the profit of the company for the year ended on that date.

Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.

The annual accounts of the company have been provided on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the listing agreement, the Management Discussion and Analysis Report forms a part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to thank all its employees, bankers and customers who have played a key role in helping the company continue on its recovery path. And last but not the least the Directors wish to thank all the members who have shown utmost patience whilst reposing their full faith in the company.

FOR EPIC ENERGY LIMITED

NIKHIL MORSAWALA

DIRECTOR

Place: Mumbai

Date: 29TH JUNE, 2004

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The economic slowdown in India and the world showed definite signs of easing up, with encouraging results being reported by corporates. The rupee showed a robust upward trend and is fast gaining strength. The services sector particularly showed signs of bullishness with the BPO segment leading the way. India's vast pool of human resources may well prove to be her biggest strength.

Industry Structure and Development

As mentioned in the previous year's discussion, the financial services sector continues to be dominated by very large players which has led to the demise or marginalisation of small to very small players. But with the growing needs of the SME sector, which is constantly looking for cost effective solutions, size does sometimes become a handicap and companies like yours fill the much needed demand for niche, specialized and professional players who cater to the needs of these SMEs.

Opportunities and Threats

As before, the company continues to be in a position to fulfill the much needed requirement of a niche player in the SME financial services segment. With the constantly high levels of customer service offered by your company, business opportunities will continue to come our way. However, it is possible that we may see increased competition from new players in this segment.

Segment Wise or Product wise performance

The company has earned its entire revenues from Corporate Advisory Services. The revenues are lower than last year. However, the company is reducing its dependence on a few customers by widening its customer base.

Outlook

As mentioned above, the outlook for the SME Financial Services sector looks to be encouraging and your company hopes to strengthen its present position. As discussed in the Director's Report, your company is in the process of implementing its plan in the Energy Sector. This Sector too has tremendous potential.

EPIC ENERGY LIMITED – 2003-04

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Your Company has always attempted to employ best management practices in all its areas of operations. Your company has always believed in following a strong code of corporate ethics. Your company continues to believe that responsibility of good corporate management cannot be that of any one individual, but is a function which lies on the shoulders of all the constituents of the company: management, employees, networked professionals, bankers, auditors, regulators, and other government agencies.

Board of Directors

Composition

The Board comprises three Directors, all of whom are non-executive. One third of the Directors are independent directors i.e. independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

Meetings

The meetings are generally held at the registered office. Notices of meetings are sent out in advance with the agenda. Outside professionals, if required, are invited to join the meeting and advise the Board on relevant matters. No sitting fees are paid to the Directors. The Board met nine times during the year. All meetings were attended by all the Directors.

Tenure

All Directors are retiring Directors. One third retire every year and if eligible, qualify for reappointment.

Board Committees

The Audit Committee comprises Mr. Vispi Damania and Mr. Nikhil Morsawala. The committee met four times during the year.

The Share Grievances Committee comprises Mr. Vispi Damania and Mrs. Veena Morsawala. The committee met five times during the year.

Risks and Concerns

The financial services sector is going through a major crisis as an offshoot of the accounting and related scandals worldwide, possibly subjecting it to greater control and restrictions. Whilst this is to be viewed with considerable concern, it will prove beneficial in the long run, as a substantial amount of self-regulation is expected to be exercised leading to greater transparency and qualitative throughput.

Internal Control Systems and their Adequacy

The company, due to its small size and highly personalized service, is adequately controlled and monitored.

Discussion on financial performance with respect to operational performance

As mentioned earlier, though the revenues of the company show a decrease, the number of customers it services shows a marked uptrend, making it less dependent and more versatile.

Material Developments in human resources/industrial relations front, including number of people employed

The company continues to keep its employees at a bare minimum and relies on its network of professionals to offer comprehensive services to its clients.



HARI OM SHARMA & CO.,
Chartered Accountants

AUDITOR'S REPORT

The Members,
Epic Energy Limited
Mumbai.

We have audited the attached Balance Sheet of Epic Energy Limited, (earlier known as Fiscal Limited) as at March 31, 2004 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors as on March 31, 2004 and taken on record by the Board of Directors, we report that none of the directors was disqualified as on March 31, 2004, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Hari Om Sharma & Co.,
Chartered Accountants
Hari Om Sharma
Proprietor

Place : Mumbai
Date : 29th June, 2004