


ANNUAL
REPORT

2016-17



EPIC ENERGY LIMITED

An ISO 9001 : 2008 Company
A BEE Short Listed ESCO Company



**‘The practice of
Conservation must spring from
a conviction of what is ethically and
aesthetically right, as well as what is
economically expedient.
A thing is right only when it tends to
preserve the integrity, stability and beauty
of the community, and the community
includes the soil, water, fauna and
flora, as well as people’**

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Annual General Meeting

Date & Time:

Friday, September 29, 2017 at 09.30 a.m.

Venue:

South Coast Hotels & Hospitality Services,
RX 31, MIDC, Thane Belapur Road,
Opp.Rabale Railway Station,
Navi Mumbai- 400 701

Book Closure Date:

September 23, 2017 to September 29, 2017

Corporate Information

BOARD OF DIRECTORS*Chairman*

Mr. Nikhil Morsawala

Independent Non-Executive Director

Mr. Sanjay Gugale

Independent Non-Executive Director

Mr. Zubin Patel

Non-Executive Director

Mrs. Veena Morsawala

KEY MANAGEMENT PERSONNEL*Head - Environment & Innovation*

Mr. Harshal Gunde

Head- Projects

Mr. Jigar Bhatt

Vendor Management (Domestic)

Mr. C.V.Nigre

ENVIRONMENT MANAGER

Mrs. Aruna Joshi

ENGINEERING TEAM LEADERS

Mr. Satish Mahajan

Mr. Satish Gohil

COMPLIANCE OFFICER

Mr. Atul Mishra

AUDITORS

P.Murali & Co.

Chartered Accountants

**REGISTRAR AND
SHARE TRANSFER AGENT****Adroit Capital Services Private Ltd.**

17-20, Jafferbhoy Industrial
Estate, Makhwana Rd, 400059,
Marol, Andheri East, Mumbai,
Maharashtra 400059
Phone: 022 4227 0400

BANKERS

Axis Bank Limited

Bank of India

REGISTERED OFFICE

Office No. 1, Ground Floor, "SUNSHINE WILLOWS", Plot No.
18, Sector-8, Ghansoli, Navi Mumbai-400701
Phone: 022 - 65009292

CIN: L67120MH1991PLC063103

E-mail: info@epicenergy.biz

Website: www.epicenergy.biz

BRANCH OFFICE

3, Poojan Apartment,
Karnavati Society,
Opp. Ratilal Patel Hall,
Bhairavnath Road,
Maninagar, Ahmedabad-28

International Offices at U.S.A. & Canada

CHAIRMAN'S STATEMENT

Dear Members,

It was heartening to see the Government of India take a strong stand on Climate Change in spite of the announcement by the United States of America that it would pull out of the United Nations Framework on Climate Change (UNFCCC). Our country has well and truly arrived as a Global Leader in taking serious steps to combat the hazards posed by Climate Change. India now ranks on par with its European counterparts in setting standards on reducing carbon emissions. We must complement the efforts of the Government of India by being economical in our power consumption and reducing our carbon footprint at the household and individual level.

The market for Energy Efficiency products and services picked up some momentum during fiscal 2017, as compared to previous years. This was largely due to the increased spending of some forward looking State Governments with their result focused projects. As a company, we made a beginning in the LED retrofitting market by implementing a 6,200 luminaries project in one Nagar Palika in Gujarat. We hope to implement more such projects in the coming years.

As the Indian Economy moves towards being more transparent and tax efficient, the business ecosystem is also undergoing a change for the better. As someone who has had a ringside view of the Public Private Partnership business model and its evolution, I am now reasonably confident that the model has sufficiently matured and that private companies such as ours will benefit from the Good Governance models being put in place.

As per my annual practice, I would like to wish all members and EENDIANS (Energy Efficient Indians) all the very best for the coming festival season.

Enjoy Responsibly. Save Power. Save the Earth.

Yours in Energy Efficiency

Nikhil Morsawala

Chairman

Board's Report

To,
The Members of
EPIC ENERGY LIMITED

Your Directors are pleased to present the 26th Annual Report and the Company's Audited Financial Statements for the year ended on March 31, 2017.

FINANCIAL RESULTS:

The Company's financial performance for the year ended March 31, 2017, is summarised below:

Particulars	2016-17	2015-16
	(Rs.)	(Rs.)
Total Revenue	195,310,000	192,357,000
Operating Profit before Depreciation & Tax	5,261,606	13,477,536
Less: Depreciation	11,681,254	11,995,389
Profit before exceptional and extraordinary items and tax	(6,419,787)	1,482,147
Exceptional Items	(22,958,647)	(29,619,000)
Profit before tax	(29,378,434)	(28,136,853)
Less: Provision for tax	-	138,000
Net Profit after tax	(29,378,434)	(28,274,853)
Balance of profit and loss account brought Forward	4,034,040	92,308,893
Less:-Transfer to General Reserve	-	60,000,000
Balance carried to Balance sheet	(25,344,394)	4,034,040
Earnings per share (basic/diluted)		(4.21)
Earnings per share (Weighted Avg/diluted)	(4.31)	-

Financial highlights

Sales

Your Company posted a turnover of Rs. 195,310,000 in the financial year ended on 31st March 2017, as compared to Rs. 192,357,000 in the previous year.

Profitability

Your Company's Loss before exceptional and extraordinary items and tax for the year ended 31st March, 2017, was recorded at Rs. (6,419,787), as compared to a Profit of Rs. 1,482,147 in the previous year.

Earnings per share

Weighted Avg. EPS was at (4.31) for the year ended 31st March, 2017, as against Basic EPS (4.21) for the year ended 31 March, 2016.

Transfer to Reserves

There is no proposed amount to be transferred to the General Reserve.

Net Worth

The Company's net worth as on 31st March, 2017, was at Rs. 82,904,697 as compared to Rs. 164,783,130 as on 31st March, 2016.

DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended on 31st March, 2017.

REVIEW OF OPERATIONS

During the current year, your company continued to play a significant role in the Energy Efficiency Market in the organized sector. We made a beginning in the LED retrofitting market by executing one project in one Nagar Palika in Gujarat for 6,200 luminaries. We hope to implement similar projects in the coming years.

Energy Efficiency technologies have undergone a sea change over the last three to five years. With advanced Lighting Technology and more efficient home and office appliances with in-built energy efficiency technologies being launched in the market, the type of external energy efficiency products required to enhance energy efficiency has changed substantially. During the year under review, the company embarked on a detailed exercise of reviewing its existing technologies and refurbishing the same. During the course of this exercise, the Company also identified technology assets that were built over a period of time that were no longer relevant and suffered from technological obsolescence. These assets have been appropriately written down in the books of account to correctly reflect the value of the assets to the business of the Company.

Your company wishes to acknowledge the Bureau of Energy Efficiency's continued efforts to promote energy efficiency in every walk of life, which has led to ESCOs gathering sufficient traction in the Indian Energy Market.

Further recognition of your company's successful Energy Savings efforts has come by way of your Company being re-rated as **Grade 3 (indicating “Good” ability to execute ESCO projects) by CRISIL** under a rating program jointly undertaken by BEE-CRISIL. Details are available on your company's website as well as on the website of the Bureau of Energy Efficiency, Ministry of Power, Government of India www.bee-india.nic.in.

LISTING OF SECURITIES

The Company's Equity Shares are listed on the Bombay Stock Exchange Limited (BSE).

The Company has already paid the listing fees to Bombay Stock Exchanges for the Financial Year 2016-17.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board Meeting

The Board consisted of four members as on 31st March, 2017, two of whom are Independent Non Executive Directors. Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened to discuss and decide on various business policies, strategies and other Businesses.

During the year under review, Board of Directors of the Company met Six times, viz 13th Aug, 2016, 10th Oct, 2016 14th Nov, 2016, 19th Jan, 2017, 14th Feb, 2017, & 30th May 2017.

Committee of Board

Your Company has several Committees which have been established as part of best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Grievances and Relationship Committee

A detailed note on the committees with respect to composition, meeting, powers, and terms of reference is provided under the corporate governance report section in this Annual Report.

Appointment, Re-appointment and Resignation of Directors

Mrs. Veena Morsawala retires by rotation at the forthcoming AGM. Being eligible, Mrs. Morsawala has offered himself for re-appointment. Your Directors commend her appointment.

Details of Key Managerial Personnel

Mr. Nikhil Morsawala, Chairman and Mr. Atul Mishra, Compliance Officer, are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013. None of the Key Managerial Personnel has resigned or appointed during the year under review.

Nomination and Remuneration Policy

The Company has, in order to attract motivated and retained manpower in competitive market, and to harmonies the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time, devised a policy on the nomination and remuneration of Directors, key managerial personnel and senior management.

Key points of the policy are:

A. Policy on appointment of Directors, key managerial personnel and senior management personnel

- The policy is formulated to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and senior management personnel and recommend to the Board for his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment.
- In case of appointment of Independent Director, the Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

B. Policy on remuneration of Director, key managerial personnel and senior management personnel. The Company's remuneration policy is driven by the success and performance of the Director, KMP and Senior Management Personnel vis-à-vis the Company. The Company's philosophy is to align them and provide adequate compensation with the Objective of the Company so that the compensation is used as a strategic tool that helps us attract, retain and motivate highly talented individuals who are committed to the core value of the Company. The Company follows a combination of fixed pay, benefits and performance-based variable pay. The Company pays remuneration by way of salary, benefits, perquisites and allowance. The remuneration and sitting fees paid by the Company are within the salary scale approved by the Board and Shareholders.

Board Evaluation

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and individual Director. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated. A structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and Committees, culture, execution and performance of specific duties, obligation and governance.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as suggested by the Nomination and Remuneration Committee. The performance evaluation of the Independent Directors was completed. During the year under review, the Independent Directors met on 30th May, 2017, interalia, to discuss:

- Performance evaluation of Independent Directors and Board of Directors as a whole;
- Performance evaluation of the Chairman of the Company;
- Evaluation of the quality of the flow of information between the Management and Board for effective performance by the Board. The Board of Directors expressed their satisfaction with the evaluation process.

PUBLIC DEPOSITS

During the period under review, the Company has not accepted deposits from shareholders and public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made thereunder.

SHARE CAPITAL

The paid-up equity share capital as at 31st March, 2017, stood at Rs. 7,21,15,000. During the year under review, the Company issued 5,00,000 shares of Rs 10/- each at a premium of Rs. 5/- per share on a private placement basis as approved by the shareholders via Postal Ballot.

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct to the management. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safeguards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the

Audit Committee from time to time. No whistle blower has been denied access to the Audit Committee of the Board.

The Whistle Blower Policy of the Company is available on the website of the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance and the certificate obtained from practicing Company Secretary confirming its compliance is provided separately and forms a part of this Report. The Board of Directors supports the basic principles of corporate governance. In addition to this, the Board lays strong emphasis on transparency, accountability and integrity.