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**ANNUAL
REPORT
2018-19**



EPIC ENERGY LIMITED

An: ISO 9001:2015 Company
A BEE Short Listed ESCO Company
www.epicenergy.biz



**‘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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A.G.M

Date & Time:

Saturday, September 28, 2019 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 21, 2019 to September 28, 2019

Corporate Information

BOARD OF DIRECTORS

Chairman

Mr. Nikhil Morsawala
(upto 16th June, 2019)

Mr. Sanjay Gugale

Independent Non-Executive Director

Mr. Brian Dsouza

Independent Non-Executive Director

Mrs. Veena Morsawala

Non-Executive Director

Mr. Bharat Mehta

(w.e.f. 17th June, 2019)

Independent Non-Executive Director

KEY MANAGEMENT PERSONNEL

Manager

Mr. Atul Mishra

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sandeep Gupta

(w.e.f. 17th June, 2019)

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

Bank of India

REGISTERED OFFICE

Office No. 1, Ground Floor, "SUNSHINE WILLOWS", Plot
No. 18, Sector-8, Ghansoli, Navi Mumbai-400701 Phone:
022 - 8419988262

CIN: L67120MH1991PLC063103

E-mail: **info@epicenergy.biz**

Website: **www.epicenergy.biz**

BRANCH OFFICE

AHMEDABAD

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

GODHRA

133, Shreemali Wadi, Prabhakunj
Society,
Godhra-389001.

HYDERABAD

4-200, 1st Floor, Geetanagar,
Ferozguda,
Hyderabad-500042
Telangana State, India

DIRECTORS' REPORT

To,

The Members of

EPIC ENERGY LIMITED

Your Directors are pleased to present the 28th Annual Report and the Company's Audited Financial Statements for the Year ended on March 31, 2019.

FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2019, is summarised below:

Particulars	2018-19	2017-18
	(INR in lakh except EPS)	(INR in lakh except EPS)
Total Revenue	679.55	1,872.24
Operating Profit before Depreciation & Tax	44.82	31.04
Less: Depreciation	37.88	37.96
Profit before exceptional and extraordinary items and Tax	6.94	(6.92)
Exceptional Items	-	-
Profit before tax	6.94	(6.92)
Less: Tax expense for earlier Years (Tax disposed off)	56.16	62.88
Net Profit after tax	63.10	(69.80)
Other Comprehensive Income / Loss for the year (net of tax)	-	-
Total Comprehensive Income	63.10	(69.80)
Balance of profit and loss account brought Forward	(323.24)	(253.44)
Less:-Transfer to General Reserve	-	-
Balance carried to Balance sheet	(260.14)	(323.24)
Earnings per share (basic/diluted)	0.87	(0.97)

Financial highlights

Sales

Your Company posted a turnover of Rs. 679.55 lakh in the financial year ended on 31st March, 2019, as compared to Rs. 1872.24 lakh in the previous year.

Profitability

Your Company's profit before exceptional and extraordinary items and tax for the year ended 31st March, 2019, was recorded at Rs. 6.94 lakh, as compared to a Loss of Rs. 6.92 lakh in the previous year.

Earnings per share

EPS was at Rs. 0.87 as on 31 March, 2019, as against Rs. (0.97) as on 31 March, 2018.

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, 2019, was at Rs. 822.35 lakh as compared to Rs. 759.25 lakh as on 31 March 2018.

DIVIDEND:

The Directors do not recommend any dividend for the Financial Year ended on 31st March, 2019.

REVIEW OF OPERATIONS

During the year under review, your company continued to play a significant role in the Energy Efficiency Market in the organized sector. Our ongoing projects in the LED retrofitting market are progressing as planned. We hope to implement similar projects in the coming years. During the current fiscal year FY 2019-20, the Company is planning to market Energy Efficient Consumer Appliances like Ceiling Fans and Pedestal Fans.

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.

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 Exchange for the Financial Year 2019-20.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board Meeting

The Board consisted of four members as on 31st March, 2019, two of whom were 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 four times, viz 30th May, 2018, 13th August, 2018, 13th November, 2018 and 13th February, 2019.

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

The appointment of Mr. Bharat Mehta as a Director is due for regularization at the forthcoming AGM. Your Directors commend his appointment. None of the other Directors are interested in this Resolution.

Details of Key Managerial Personnel

Mr. Nikhil Morsawala, Chairman and Mr. Atul Mishra, Compliance Officer, were the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and were already in the office before the commencement of the Companies Act, 2013. None of the Key Managerial Personnel has resigned or appointed during the year under review. Mr. Nikhil Morsawala resigned as Director from the Board on June 17, 2019, and was appointed as the Chief Financial Officer (CFO) on June 21, 2019. Mr. Bharat Mehta was appointed as Independent Non-Executive Director on June 17, 2019.

Nomination and Remuneration Policy

The Company has, in order to attract motivated manpower in a competitive market, and to harmonise 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. For the year under review, the Independent Directors met on 30th May, 2019, 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 or renewed any 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, 2019, stood at Rs. 7,21,15,000.

Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 mandated the formulation of certain policies for all listed companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirements.

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.

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 Regulation 34(3) and Schedule V of SEBI (LODR) Regulations, 2015, a separate report on Corporate Governance and a certificate from the Auditors of the Company are annexed to the Directors' Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your attention is drawn to the perception and business outlook of your management for your company for current year and for the industry in which it operates including its position and perceived trends in near future. The Management Discussion and Analysis Report, as required under Clause 49 of the Listing Agreement with the Stock Exchange is attached and forms part of this Directors' Report.

RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time.

OTHER DISCLOSURES AS PER SECTION 134 OF THE COMPANIES ACT, 2013

a) There are no qualifications, reservations or adverse remark or disclaimer by the Statutory Auditor or by Secretarial Auditor in their respective reports.

b) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, to which the financial statements relate and the date of the report.

c) Extract of the Annual Report as provided in sub-section 3 of section 92, which is given in **Annexure I** forming part of this report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company.

All Related Party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and accordingly, the required disclosures are made to the Committee on a quarterly basis in terms of the approval of the Committee.

All the related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis as provided in Annexure 2.

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

Information relating to conservation of energy, technology and foreign earning and outgo, as required under Section 134(3) (m) of the Companies Act, 2013 forms part of this Directors' Report as Annexure 3.

PARTICULAR OF EMPLOYEES PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3) OF THE COMPANIES (AMENDMENT) ACT, 2017 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

The information required in terms of Section 134(3) of the Companies (Amendment) Act, 2017 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is furnished hereunder:

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- i) The ratio of the remuneration of Director to the median remuneration of the employees of the Company: **Not Applicable**
- ii) The percentage increase in remuneration of CFO, CS during the financial year: **NIL**
- iii) The percentage increase in the median remuneration of employees in the financial year is **NIL**
- iv) The number of permanent employees on the rolls of company at the end of the financial year 2018-19 is **8**.
- v) It is hereby affirmed that the remuneration of KMP's are in accordance with the Remuneration Policy.

Sl No.	Name	Designation	Remuneration paid FY 2018-19 (` in lakh)	Remuneration paid FY 2017-18 (` in lakh)	Percentage increase in remuneration	Ratio per Median of employee Remuneration
1	Ms Rashi Mirani	Company Secretary	1.44	-	-	-

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has laid down the set of standards, processes and structure which enables it to implement internal financial control across the organisation and ensure that the same are adequate and operating effectively. To maintain the objectivity and independence of internal audit, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with the operating systems, accounting procedures and policies of the Company.

Based on the report of Internal Auditor, the process owners undertake the corrective action in their respective areas and thereby strengthen the control. Significant audit observation and corrective actions thereon are presented to the Audit Committee of the Board.

AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013 M/s. P. MURALI & Co., Chartered Accountants, Hyderabad, (Registration No. 023412), were appointed as the Statutory Auditors of the Company, to hold the office from the conclusion of the 23rd Annual General Meeting held on 29th September, 2015 to the conclusion of the 29th Annual General Meeting to be held in year 2020. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013, Code of ethics issued by Institute of Chartered Accountants of India.

The Report of the Auditors on the Accounts of the Company is attached herewith, being self explanatory, does not need further elaboration.

Secretarial Auditor and their report

To discuss Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed **Mr. VIJAY TIWARI, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the FY 2018-19. The Secretarial Audit Report for the FY 2018-19 is annexed to this Directors' Report as Annexure-5.**