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EPIC ENERGY LIMITED

An ISO 9001: 2015 Company

A BEE Recognized 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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Corporate Information

BOARD OF DIRECTORS

- **Mr. Bharat Mehta**
Independent Non-Executive Director
- **Mr. Sanjay Gugale**
Independent Non-Executive Director
- **Mr. Brian Dsouza**
Independent Non-Executive Director
- **Mrs. Veena Morsawala**
Non-Executive Director

KEY MANAGEMENT PERSONNEL

- Chief Financial Officer
- **Mr. Nikhil Morsawala**
Manager
 - **Mr. Atul Mishra**
Head- Projects
 - **Mr. Jigar Bhatt**

ENVIRONMENT MANAGER

- Mrs. Aruna Joshi

ENGINEERING TEAM LEADERS

- Mr. Satish Mahajan
- Mr. Satish Gohil

COMPANY SECRETARY & COMPLIANCE OFFICER

- Mr. Sandipkumar Gupta

AUDITORS

- PCN & Associates
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 1205, 12th Floor, "AMBIENCE COURT",
Sector-19E, Vashi
Navi Mumbai-400703
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
Gujarat – 380008.

GODHRA

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

DIRECTORS' REPORT

To,

The Members of

EPIC ENERGY LIMITED

Your Directors are pleased to present the 30th Annual Report and the Company's Audited Financial Statements for the Year ended on March 31, 2021.

FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2021, is summarised below:

Particulars	2020-21	2019-20
	(INR in lakh except EPS)	(INR in lakh except EPS)
Total Revenue	144.25	173.66
Operating Profit before Depreciation & Tax	(48.03)	3.31
Less: Depreciation	18.09	37.62
Profit before exceptional and extraordinary items and Tax	(66.12)	(34.31)
Exceptional Items	-	-
Profit before tax	(66.12)	(34.31)
Less: Tax expense for earlier Years (Tax disposed off)	-	1.38
Less: Deferred Tax	2.27	-
Net Profit after tax	(63.85)	(32.93)
Other Comprehensive Income / Loss for the year (net of tax)	-	-
Total Comprehensive Income	(63.85)	(32.93)
Balance of profit and loss account brought Forward	(293.07)	(260.14)
Less:-Transfer to General Reserve	-	-
Balance carried to Balance sheet	(356.92)	(293.07)
Earnings per share (basic/diluted)	(0.89)	(0.46)

Financial highlights

Sales

Your Company posted a turnover of Rs. 144.25 lakh in the financial year ended on 31st March, 2021, as compared to Rs. 173.66 lakh in the previous year.

Profitability

Your Company's loss before exceptional and extraordinary items and tax for the year ended 31st March, 2021, was recorded at Rs. (66.12) lakh, as compared to a loss of Rs. (34.31) lakh in the previous year.

Earnings per share

EPS was at Rs. (0.89) as on 31 March, 2021, as against Rs. (0.46) as on 31 March, 2020.

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, 2021, was at Rs. 725.57 lakh as compared to Rs. 789.42 lakh as on 31st March 2020.

DIVIDEND:

The Directors do not recommend any dividend for the Financial Year ended on 31st March, 2021.

FUTURE PROSPECTUS:

The company is sharpening its focus on LED retrofitting and is exploring options of participating in Solar EPC projects.

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).

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board Meeting

The Board consisted of four members as on 31st March, 2021, three 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. In view of the pandemic and extant government guidelines, Board Meetings held after the lockdown are being held via video conferencing.

During the year under review, Board of Directors of the Company met four times, viz 29th June, 2020, 17th August, 2020, 11th November, 2020 and 11th February, 2021.

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.

Details of Key Managerial Personnel

Mr. Nikhil Morsawala, CFO, Mr Jigar Bhat, Project Head, Mr Sandipkumar Gupta, Company Secretary and Mr. Atul Mishra, Manager, were the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

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 29th May, 2021, interalia, to discuss:

- Performance evaluation of Independent Directors and Board of Directors as a whole;
- 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, 2021, 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) Except for the effect of Covid pandemic and consequent lockdown resulting in a severe slowdown in the economy which has been explained above, 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.

Key Financial Ratios :

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Particulars	2020-21	2019-20
Debtor Turnover Ratio	1.39	2.03
Inventory Turnover Ratio	5.14	3.96
Current Ratio	1.23	1.20
Operating Profit Margin (%)	(33.60)	1.90
Net Profit Margin (%)	(44.67)	(18.97)

The Company has identified the above ratios as key financial ratios:

The Company planned to combat the slowdown in the pre-covid economy by sharpening its focus on the LED retrofitting business. There is therefore a change of 25% or more as compared to the immediately previous financial year in some key financial ratios. The sharpened focus and the consequent reduction in exposure to unstable market forces is now fortuitously helping the Company to tide over the post-pandemic economic havoc that is being seen on the MSME sector. We are happy to report that we did not have to reduce the strength of our workforce nor did we have to reduce the salaries of our workers.

Return on Networth

The details of return on Networth are given below:

Particulars	2020-21	2019-20
Return on Networth (%)	(8.80)	(4.17)

The return on Networth has decreased due to the decrease in the sales, profits of the Company.

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 arms 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 II**.

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 III**.

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:

- 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 2020-21 is **5**.
- v) It is hereby affirmed that the remuneration of KMP's are in accordance with the Remuneration Policy.

Sr. No.	Name	Designation	Remuneration	Remuneration	Percentage	Ratio per Median of Employee Remuneration
			Paid FY 2020-21	Paid FY 2019-20	Increase in remuneration	
			(` in lakh)	(` in lakh)		
1	Mr Nikhil Morsawala	CFO	-	-	-	-
2	Mr Sandipkumar Gupta	Company Secretary	4.20	3.58	-	-
3	Mr Atul Mishra	Manager	6.02	6.02	-	-

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

The Shareholders at the 29th Annual General Meeting (AGM) held on 28th September, 2020 has approved the appointment of M/s. P C N & Associates, Chartered Accountants (Firm Registration No. 0160165), as statutory auditors of the Company, for a term of five years i.e. till the conclusion of AGM to be held in year 2025.

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

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 2020-21. The Secretarial Audit Report for the FY 2020-21 is annexed to this Directors' Report as Annexure-IV.**

Directors' Qualification Certificate

In terms of SEBI (LODR) Regulations 2015, a certificate from Mr. Vijay Tiwari, Practicing Company Secretary has been received stating that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authority and the same is annexed to this report.

Disclosure of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity

During the financial year 2020-21, no such transaction took place with any person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the listed entity.

Corporate Social Responsibility

Subject to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2015, the Company is not mandatorily required to undertake CSR initiatives. The report of the CSR activities is not applicable to the Company.

DONATION:

During the year, the Company has not given donation to any charitable trust.

DECLARATION ABOUT INDEPENDENT DIRECTORS UNDER SUB-SECTION 6 OF SECTION 149:

The Company has received the declarations from Independent Directors that they meet the criteria of independence laid down under section 149(6) of the Companies Act, 2013 and under regulation 16(b) of SEBI (LODR) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(5) of the Companies Act, 2013, Directors subscribe to the "Directors' Responsibility Statement" and confirm that:

- a) In preparation of annual accounts for the year ended 31st March 2021, the applicable accounting standards have been followed and no material departures have been made from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts for the year ended 31st March, 2021, on a going concern basis.
- e) The Directors have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were 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.

AUDITORS' REPORT

The Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2021, is self-explanatory and does not call for further explanations or comments that may be treated as adequate compliance of Section 134 of the Companies Act, 2013.

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. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any ESOS scheme.
3. The Company does not have a Managing Director or any subsidiaries, and as such the question of the Managing Director of the Company receiving any remuneration or commission from any of its subsidiaries does not arise.
4. 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.

ACKNOWLEDGEMENT

Your Directors express their appreciation for the assistance and cooperation received from its Bankers, various government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

Date: 29th May, 2021

Place: Navi Mumbai

By order of the Board

Chairman