



**SRM ENERGY LIMITED**

**29th Annual Report  
2015-16**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vishal Rastogi  
Mr. Sameer Rajpal  
Mr. Pranav Kumar  
Mr. Vijay Kumar Sharma  
Mrs. Tanu Agarwal

Managing Director  
Non-Executive & Independent Director  
Non-Executive & Independent Director  
Non-Executive & Independent Director  
Non-Executive Woman Director

### CS & COMPLIANCE OFFICER

Ms. Kanika Arora (Appointed w.e.f 12.02.2016)

### CHIEF FINANCIAL OFFICER (CFO)

Mr. Kailash Chandra Gupta

### BANKERS

Axis Bank Limited

### STATUTORY AUDITORS

M/s VATSS & Associates

### REGISTERED OFFICE

Unit No. 206, 2nd Floor, Suneja Tower-II,  
District Centre, Janakpuri, New Delhi-110058.

### REGISTRAR & SHARE TRANSFER AGENTS

Datamatics Financial Services Ltd,  
Plot No.B-5, Part B Cross Lane, MIDC,  
Andheri-East, Mumbai-400093.  
Tel. No. : +91-22-66712151 / 2156  
Fax : +91-22-66712161  
Email : info@dfssl.com  
Website : www.datamaticsbpo.com

### LISITNG OF SECURITIES

The Bombay Stock Exchange,  
PhirozeJeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai- 400001

CIN: L17100DL1985PLC303047

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## NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of SRM Energy Limited will be held on Thursday, September 29, 2016 at 11.30 a.m. at Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O, Fatehpur Beri, New Delhi- 110074, to transact the following businesses:

### ORDINARY BUSINESS:

#### Item No. 1: Adoption of Financial Statement:

To receive, consider and adopt the audited financial statement (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2016 and the Reports of Director's and Auditor's thereon.

#### Item No.2: Appointment of Directors:

To appoint a Director in place of Ms. Tanu Agarwal (DIN-07134266) who retires by rotation and being eligible, offers herself for reappointment.

#### Item No.3: Appointment of Auditors:

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, and pursuant to the recommendation of the Board of Directors and also pursuant to the resolution passed by the shareholders in the previous Annual General Meeting of the Company held on 30th September, 2015, the appointment of M/s VATSS & Associates, Chartered Accountants, New Delhi (Firm Registration No.- 017573N) as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the Audit Committee in consultation with the Auditors."

#### By Order of the Board of Directors

Place : New Delhi

(Kanika Arora)

Date : August 04, 2016

Company Secretary

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT UNIT NO. 206, 2ND FLOOR, SUNEJA TOWER-II, DISTRICT CENTRE, JANAKPURI, NEW DELHI-110058, NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING. A FORM OF PROXY IS GIVEN AT THE END OF THIS ANNUAL REPORT.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
3. Provided that a member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. In case of Joint holders attending the meeting, only such holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 23rd September, 2016 to Thursday 29th September, 2016 (both days inclusive).
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect proxies lodged at any time during the business hours of the Company, provided that not less than 3 days notice is given in writing to the Company.
7. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are Interested maintained under Section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Shareholding of Independent Directors seeking appointment/re-appointment at this meeting are as under:  
Ms. Tanu Agarwal: Nil shares.
9. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
10. Members/Proxy Holders are requested to produce at the entrance of hall, attendance slips duly completed and signed, in accordance with the specimen signature registered with the Company for admission to the Meeting Hall.
11. The members are requested to
  - a. Bring their copy of Annual report at the Annual General Meeting.
  - b. **I In case shares are held in physical form:** notify immediately the change of address, if any, to the Company at Unit No. 206, 2nd Floor, Suneja Tower-II, District Centre, Janakpuri, New Delhi-110058 or to the Registrar and Share Transfer Agent of the Company, Datamatics Financial Services Ltd, Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai-400093 quoting their folio number.

- II In case shares are held in dematerialized form:** notify to their depository participants, change/correction in their address/bank account particulars etc. as the Company uses the information provided by Depositories in respect of shares held in dematerialized form.
- c. Send, in case of those members who have multiple accounts in identical names or joint names in same order, all the share certificates to the Registrar and Share Transfer Agent of the Company, Datamatics Financial Services Ltd at the aforesaid address for consolidation of all such shareholdings into one account to facilitate better service.
12. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturday, Sunday and Public holidays up to the date of the Annual General Meeting.
13. The Annual Report 2015-16 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any member has requested for a physical copy of the Report. For members who have not registered their email addresses, physical copies of the annual report 2015-16 are being sent by the permitted mode. The Annual Report will also be available at the Company's registered office for inspection during normal business hours on all working days. Members may also note that copy of the annual report of the Company is also available on Company's website "www.srmenergy.in".
14. With a view to using Natural Resources responsibly, we request Shareholders to update their email address with their Depository participants to enable the Company to send all communications including Annual Report, Notices, Circulars, etc. electronically. Members who hold shares in physical form are requested to write to "Datamatics Financial Services Ltd (Unit SRM Energy Limited), Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai-400093" with details like Name, Folio No. and Email ID to register the same at our Registrar and Transfer Agent.
15. Brief profile and other additional information pursuant to Regulation 36 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting is furnished as annexure to the notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under Companies Act, 2013 and rules made thereunder.
16. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, e-voting facility is being provided to the members. Details of the e-voting process and other relevant details are being sent to all the Members along with the Notice. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM and who have not cast their vote electronically shall be able to exercise their right at the AGM through ballot paper. Members who have cast their vote by e-voting may attend the AGM but shall not be entitled to cast their vote again.
17. **Voting through Electronics Means-** A detailed instructions and related write ups, on **Electronic Voting Process**, which forms part of this notice, is given at the end of this Annual Report. Shareholders are requested to kindly follow the said process for casting their vote electronically.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company and/or its RTA.
19. A route map for the AGM venue is provided at the back cover of the annual report.
20. **Important Communication to Members**  
Pursuant to the Order of the Regional Director, Western Region Mumbai dated 06.06.2016 in respect of shifting of Registered office of the Company from the state of Maharashtra to the NCT of Delhi the registered Office of the Company has been shifted to "Unit No. 206, 2nd Floor, Suneja Tower-2, District Centre, Janakpuri, New Delhi-110058" with effect from the date of the aforesaid order. The new Corporate Identification No. (CIN) is "L17100DL1985PLC303047".
- NOTES ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**
- Ms. Tanu Agarwal** (DIN: 07134266), born on 17th December, 1978, who joined the Board on 01st April, 2015 as a Non executive Director of the Company, is a law graduate and also holds a post graduate degree in Commerce. She is a fellow member of The Institute of Company Secretaries of India (ICSI) with a vast experience of more than 14 years in legal and business consulting.
- She is not related to any of the other Directors of the Company in any manner and also does not hold any shares of the Company.
- Further she does not hold Directorship in any other Company. She is not a member in any committee in the Company.

**DIRECTOR'S REPORT**

To,

The Members of **SRM Energy Limited**

The Directors present their 29th Annual Report and Audited Financial Statements for the financial year 2015-16.

**1. Financial Summary/highlights on Performance of the Company**

(In Rs. Million)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations	-	-	-	-
Other Income	0.00	0.05	0.00	0.01
<b>Total Revenue</b>	<b>0.00</b>	<b>0.05</b>	<b>0.00</b>	<b>0.01</b>
Operational Expenses	-	-	-	-
Employee Benefit Expenses	2.79	3.11	2.79	3.11
Interest and Finance Charges	-	-	-	-
Depreciation and Amortizations	-	-	-	-
Other Expenses	2.73	2.67	2.73	2.67
<b>Total Expenses</b>	<b>5.52</b>	<b>5.78</b>	<b>5.52</b>	<b>5.78</b>
<b>Profit/(Loss) before exceptional items</b>	<b>(5.52)</b>	<b>(5.73)</b>	<b>(5.52)</b>	<b>(5.77)</b>
Exceptional Items	-	1.08	-	1.08
<b>Profit/(Loss) for the year</b>	<b>(5.52)</b>	<b>(6.81)</b>	<b>(5.52)</b>	<b>(6.85)</b>

**2. Dividend**

There is no operating income or profit, hence no dividend is being recommended.

**3. Reserves**

There is no surplus available to be carried forward to Reserves.

**4. Brief description of the Company's working during the year/ State of Company's affair**

As reported earlier, the Company is in the process of setting up Thermal Power Projects at various locations more particularly in the state of Tamilnadu. The project at Tamilnadu is consisting of 3X660 MW i.e. 1980 MW capacity is being set up by the Wholly Owned Subsidiary SRM Energy Tamilnadu Pvt. Ltd. As such there are no other operations at present and the related expenses incurred during the current period are considered as pre-operative expenses pending allocation to the power project.

The Company had plan to induct financial / strategic investor into the subsidiary to take care of the equity requirements for the project and the debt portion was proposed to be met through loans from the Chinese Banks Consortium, in spite of the same, the aforesaid plans have met with a road block in view of non-availability of funds, downfall in the energy sector, delays and changed socio-economic conditions in the country. This situation has significantly impacted the development of the project and has brought it to the standstill.

The Group's networth has been significantly reduced and it has been incurring cash losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group.

Amidst aforesaid situation, where the Company is incurring cash losses, increasing amount of unsecured loans from the promoters, changed socio-economic conditions, etc. the Board of Directors of the Company, have decided to sell/dispose off the proposed Power plant in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any.

The power plant in the wholly owned subsidiary, which is intended to be sold /disposed off as explained above, is in Pre-operative stage and no expenses have been charged to Statement of Profit and Loss. Accordingly, the loss for the year does not include any loss relating to ordinary activities attributable to discontinuing operations.

**Shifting of Registered office of the Company:**

Further, for the ease of doing business, and effective control over the administrative activities of the Company, Your Company had filed the petition to Regional Director, Western Region, Mumbai, for shifting of the Registered office of the Company from Mumbai, Maharashtra to NCT of Delhi.

Pursuant to the aforesaid petition, the Regional Director, Western Region Mumbai vide order dated

06.06.2016 have ordered for such shifting of registered office from state of Maharashtra to the NCT of Delhi, hence the Registered Office of the Company has been shifted to "Unit No. 206, 2nd Floor, Suneja Tower-2, District Centre, Janakpuri, New Delhi-110058", with effect from the aforesaid order.

**5. Change in the nature of business, if any**

There was no change in the nature of business of the Company during the financial year 2015-16.

**6. Material changes and commitments, if any, 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.**

There are no changes and commitments, which are affecting the financial position of the Company from the end of the financial year, i.e., 31st March, 2016 till the date of this Report. i.e., 04th August, 2016.

**7. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

The Company has adequately adopted the procedures to ensure the proper internal control, suitable policies and guidelines as required under various provisions of the Companies Act, 2013 and the Listing Agreement are in place. These policies, e.g. Vigil Mechanism Policy/Whistle Blower Policy, Risk Management Policy are meant to adhere to the proper guideline, rules and regulations to comply with the requirement of the law, to reduce the possible threats of fraud and to ensure the orderly and efficient conduct of the business of the Company. These policies and guidelines are adequately monitored by the designated Committees of the Board. The Members be further apprised that earlier the affairs of Risk Management were being looked after by the Risk Management Committee of the Company, however, the Board decided to dissolve the said committee and terms of reference of the same shall be looked after by the Audit Committee of the Company.

The Company apart from the above, has also in place a system of Internal Control adequate in respect to the size and operations of the Company. M/s Amarjeet Singh & Associates, had been the Internal Auditor of the Company for the financial year 2015-16. He has been conducting internal audit at regular intervals at every quarter ending. No material discrepancies have been reported by him during the period of his Audit. The Company prepared the financial information/Reporting as per the requisite requirements of the Companies Act, 2013 and the Listing Agreement/Regulations, and place it to the Audit Committee and Board for the approval, once approved the said financial results are submitted to the stock exchange and also placed on the website of the Company.

**8. Details of Subsidiary/ Joint Ventures/ Associate Companies**

Your Company has one wholly owned subsidiary company viz. SRM Energy Tamilnadu Private Limited, which does not have any operations at present. Though it is further to note that during the year of reporting:

- No Company has become/ceased to be a subsidiary during the financial year 2015-16.
- No company has become/ceased to be a joint venture or associate during the financial year 2015-16.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link:

<http://srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20%20Policy%20for%20Determining%20Material%20Subsidiary.pdf>

**9. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.**

A report on the performance and financial position is provided as Note 25 to the consolidated financial statement and hence not repeated here for the sake of brevity.

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements and such other rules and laws as may be applicable, the audited consolidated financial statement is provided in the Annual Report, and the same is also proposed for the approval of shareholders.

However, the annual financial statements of the subsidiary company and the related detailed information are available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary company are kept for inspection by any shareholder at the Registered office of the holding company and of the subsidiary company concerned.

**10. Deposits**

The Company has not accepted deposits during financial year 2015-16 under the provisions of Chapter V of Companies Act, 2013.

**11. Statutory Auditors**

M/s VATSS & Associates, Chartered Accountants, (ICAI Firm Registration No.- 017573N) were appointed as Statutory Auditors of the Company for a period of 5 years in the previous Annual General Meeting (AGM) of the Company held on 30th September, 2015 subject to ratification of their appointment by the members in every subsequent AGM. They have completed the audit of the Company for the financial year 2015-16.

The Board hereby recommends appointment of M/s VATSS & Associates, Chartered Accountants as the statutory auditors of the Company for the financial year 2016-17 for ratification of the members. Members are requested to consider and ratify the same.

## 12. Auditors' Report

Though the Group's net worth has been significantly reduced and it has been incurring cash losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Company have decided to sell / dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

The power plant in the wholly owned subsidiary, which is intended to be sold / disposed off as explained above, is in Pre-operative stage and no expenses have been charged to Statement of Profit and Loss. Accordingly, the loss for the year does not include any loss relating to ordinary activities attributable to discontinuing operations.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## 13. Share Capital

The Company's Capital Structure remains unchanged during Financial Year 2015-16.

## 14. Extract of the annual return

The extract of the annual return in Form No. MGT – 9 is annexed as **Annexure –01**.

## 15. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### (A) Conservation of energy and Technology absorption

The Company has not initiated its operations till date, no particulars in respect of conservation of energy and technology absorption have been furnished as per Section 134(3)(m) of the Companies Act, 2013.

### (B) Foreign exchange earnings and Outgo

There were no foreign exchange earnings and outgo during the year under review.

## 16. Corporate Social Responsibility (CSR)

Details relating to the Corporate Social Responsibility and the activities to be undertaken by the Company, in respect to this is not applicable to the Company, as governing Section 135 of the Act is not applicable to the Company.

## 17. Directors

### A) Changes in Directors and Key Managerial Personnel (KMP):

#### Cessation of Directors/KMP:

During the year under review, Mrs. Sanjeevlata Samdani had resigned from her office of the Company Secretary of the Company w.e.f. 31st December, 2015.

#### Appointment of New Directors/KMP:

With the aforesaid Resignation of Mrs. Sanjeevlata Samdani from the post of Company Secretary, the said post was vacant in search of a suitable replacement till 12th February, 2016. The Board of Directors, Pursuant to the requirements of Section 203 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, appointed Ms. Kanika Arora (ACS-36671) as the new Company Secretary of the Company with effect from aforesaid date, i.e., 12th February, 2016. The members be further apprised that Ms. Kanika Arora was previously employed with Spice Energy Private Limited and was working as a Company Secretary of the Holding Company of your Company.

#### Reappointment of Directors:

Further, Subject to the provisions of Section 152(6) of Companies act, 2013, Ms. Tanu Agarwal, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. Brief resume of directors seeking appointment and re-appointment along with other details as stipulated under regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the AGM Notice for convening the Annual General Meeting.

### B) Declaration by an Independent Director(s) & re- appointment, if any

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**C) Details of training imparted to Independent Directors**

The Compliances under relevant Regulation 25 (7) read with Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company and hence, Company has exempted herself from the strict compliance of the requirements of the regulation, however every new Independent Director inducted on the Board attends an orientation program in which he/she is familiarized with the strategy, operations and Status of the Company. They are further briefed with history of the Company and also handed over a Copy of the bunch of Company's Annual reports, its Memorandum and Articles of Association, various policies and the Code of Conduct of the Company.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, functions and duties/responsibilities as a Director. The Format of the letter of appointment is provided on our website, a web link thereto is given below:

<http://srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Appointment%20of%20ID.pdf>

**D) Formal Annual Evaluation**

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that a formal annual evaluation needs to be made by the Board of its own performance, its committees, Chairman and individual Directors. 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.

The Independent Directors of the Company in their meeting held on February 12, 2016 reviewed the performance of the Non Independent Directors, in case of our Company, Mr. Vishal Rastogi, the Managing Director of the Company, Ms. Tanu Agarwal and the Board as a whole. Further, the Board of Directors in their meeting held on May 27, 2016 evaluated the performance of all the Independent Directors based on set questionnaires circulated to the Board. Also, the Nomination and Remuneration Committee in meeting held on May 27, 2016, evaluated every director's performance. On the Basis of the above evaluations, the performance of the entire Board, Executive Directors and Independent Directors was found satisfactory, specially taking into

consideration of the existing circumstances, in which the Company is operating.

**18. Number of meetings of the Board of Directors**

The Board met 5 times during the year, the details of which are given in Corporate Governance report forming part of this annual report. The intervening gap between any two meetings was within the time prescribed time limit under Companies Act, 2013.

**19. Audit Committee**

During the year, the Audit Committee was constituted with Mr. Sameer Rajpal, Chairman of the Committee, with the other members, Mr. Vijay Kumar Sharma and Mr. Vishal Rastogi.

A detailed description about the audit Committee is given in the Corporate Governance Report, forming part of the Director's Report.

Further all recommendations made by Audit Committee during the year were accepted by the Board.

**20. Details of establishment of vigil mechanism for directors and employees**

The Company has in place a Vigil Mechanism/Whistle Blower Policy framed as per the requirements of Section 177 of Companies Act, 2013 and Clause 49(II) (F) of the Erstwhile Listing Agreement [Now Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]. A weblink to the policy is mentioned below:

<http://srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Whistle%20Blower.pdf>

**21. Nomination and Remuneration Committee**

The policy formulated by the Board relating to the remuneration for the Directors, Key Managerial Personnel and other employees and also the Criteria for determining the Qualifications, positive attributes and Independence of a Director pursuant to Section 178(3) of Companies Act, 2013 is annexed as **Annexure-02** to this Report.

**22. Particulars of loans, guarantees or investments under section 186**

The Company has not granted any Loans, extended any Guarantees or made Investments during the Financial year 2015-16, pursuant to the provisions of Section 186 of Companies Act, 2013.

**23. Particulars of contracts or arrangements with related parties**

The Company has not made any contracts with related parties pursuant to Section 188 of Companies Act, 2013.

However, your Company has been obtaining loan from Spice Energy Pvt. Ltd. a related party as per Section 2 (76) of the Companies Act, 2013, to meet its day to day financial needs and also to meet the statutory dues, necessary compliances and the legal expenses. Such arrangements of obtaining loan from related party falls



into the category of material related party transaction as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the provisions of Regulation 23, dealing with Related Party Transactions are not applicable on a Company having paid up share capital not exceeding 10 crores and net worth not exceeding 25 crores as on the last day of the previous financial year. Therefore, the aforesaid compliances under the said provision not falling under the above thresholds, the Company is exempt from the requirements of this regulation.

However, as a matter of practice the Company puts forwards the details of all related party transactions quarterly before the audit Committee of the Company for their noting and record. Moreover, the Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which can be downloaded from the link mentioned below:

<http://srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>

#### 24. Managerial Remuneration

Disclosure pursuant to Section 197(12) of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- i) The Ratio of the remuneration of each Director to the Median remuneration of the employees of the Company for the year 2015-16:  
None of the Director of the Company has drawn any remuneration in any form during the year. Hence, no such ratio could be calculated.
- ii) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager in the financial year:  
None of the Director of the Company has drawn any remuneration in any manner whatsoever from the Company during the year and hence there was no such increase in the remuneration of any of the Director during the financial year 2015-16.  
No increment in the remuneration of Company Secretary and Chief Financial Officer of the Company has taken place during the year of reporting.
- iii) The percentage increase in the median remuneration of employees in the financial year:  
Since no Remuneration of any employee was increased during previous year, this calculated

not to be made.

- iv) The number of permanent employees on the rolls of Company:  
During the year 2015-16, there were 2 employees on the rolls of the Company. Ms. Kanika Arora was appointed at the place of outgoing CS of the Company in the mid of the year, hence as on 31st March, 2016, only 2 employees were continuing on the rolls of the Company.
- v) average percentile increase already made in the salaries of employees other than 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:  
There are total 2 employees in the Company presently, both being the KMP'S (CS & CFO). There has been no increase in the remuneration of any employee of the Company.
- vi) The Remuneration is as per the remuneration policy of the Company.
- vii) The names of Top 10 employees during the year in terms of remuneration are:

S. No.	Name of employee	Designation
1	Mrs. Sanjeevlata Samdani*	Company Secretary
2	Mr. Kailash Chandra Gupta	Chief Financial Officer
3	Ms. Kanika Arora*	Company Secretary

\* Ms. Kanika Arora was appointed as the Company Secretary of the Company w.e.f 12th February, 2016 in the place of Mrs. Sanjeev Lata Samdani, who worked as Company Secretary till 31st December, 2015.

- viii) There were no employees in the Company during the year who were in receipt of remuneration in excess of Rs. 1,02,00,000/- per annum or Rs. 8,50,000/- per month.

#### 25. Secretarial Audit Report

A Secretarial Audit Report in Form No. MR-3 for the Financial year 2015-16 given by M/s. Ritika Agarwal & Associates, Company Secretaries is annexed as **Annexure-03** with this report.

#### 26. Risk management policy

Pursuant to the requirements of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Earlier Clause 49(VI)) of the

Listing agreement), the Board had constituted the Risk Management Committee and had also laid down the Risk Management Plan of the Company. The Committee was responsible for the monitoring and reviewing of the Risk Management Plan. The Major elements of Risk which may threaten the existence of the Company was to be identified and laid down in the Risk Management Plan of the Company.

However, as per Regulation 21(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the provisions of Clause 49(VI)(C) [Now, Regulation 21(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] states that the risk management committee are applicable only to top 100 listed Companies based on the market Capitalization as at the end of the immediate previous financial year.

In light to the aforesaid situation, the Company was not required to maintain the said Committee as it does not fall in the list of top 100 listed Companies, based on the said market capitalization. Hence the Board in their meeting held on 14.11.2015 dissolved the said Committee with immediate effect.

It was ensured that the Risk Management System of the Company is now to be looked after by the Audit Committee. There is a system to analyse the Risk and ensure Management there of is implemented in that was that it is commensurate with the Nature, Size and Operations of the Company. The Committee shall look after the areas of Financial Risk and Controls etc.

#### **27. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report as required under Regulation 21(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock Exchange forms part of this Report.

#### **28. Corporate Governance Report**

A separate Section on Corporate Governance forming part of the Director's Report and a certificate from the Practicing Company Secretary confirming compliance of the Corporate Governance Norms as stipulated in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included with this Annual Report.

#### **29. Listing of Securities**

The Securities of your Company are currently listed with Bombay Stock Exchange (BSE) with ISIN-INE173J01018 and scrip code 523222. The Company has paid listing fee to the Bombay Stock Exchange for the financial year 2015-16. All compliances with respect to the listing agreement is being made in regular course.

#### **30. Directors' Responsibility Statement**

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **31. Acknowledgements**

Your Directors wish to place on record their appreciation for the Cooperation and assistance received from Regulatory Bodies, Government, Banker, Shareholders, business associates and various other Stakeholders who have extended their valuable, sustained support and encouragement during the year under review.

The Directors would also like to place on record a hearty thanks to the management and the employees of the Company, who have been standing, the Company and giving their tireless support in the adverse circumstances.

**For and on behalf of the Board of Directors**

**(Vishal Rastogi)**  
Managing Director  
DIN: 02780975

**(Sameer Rajpal)**  
Director  
DIN: 05184612

Place : New Delhi  
Date : 04th August, 2016

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> 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	:	L17100DL1985PLC303047
ii. Registration Date	:	03/09/1985
iii. Name of the Company	:	SRM Energy Limited
iv. Category / Sub-Category of the Company	:	Company Limited by Shares/ Indian Non-Government Company
v. Address of the Registered office and contact details	:	Unit No. 206, 2 <sup>nd</sup> Floor, Suneja Tower-II, District Centre, Janakpuri, New Delhi-110058 Phone No.: 011-45067736
vi. Whether listed company	:	Yes / No
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Datamatics Financial Services Limited Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai-400 093. Tel. No. : +91-22-66712151 / 2156 Fax: 022-66712161, Email: <a href="mailto:info@dfssl.com">info@dfssl.com</a>

**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:

The Company did not conduct any business operation during the financial year 2015-16, hence no turnover was recorded.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
N.A.	N.A.	N.A.	N.A.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name And Address Of The Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1	Spice Energy Private Limited Address: Unit No. 206, 2nd Floor, Suneja Tower-2, District Center, Janakpuri, New Delhi-110058.	U40105DL2007PTC168066	Holding	71.19%	2(46)
2	SRM Energy Tamilnadu Private Limited Address: 21, Basant Lok Complex, Vasant Vihar, New Delhi-110057.	U40105DL2008PTC280425	Subsidiary	100%	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding:**

Category of Shareholders (2015-16)	No. of Shares held at the beginning of the year (2015-16)				No. of Shares held at the end of the year (2015-16)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1)Indian	0	0	0	0.0000	0	0	0	0.0000	0.0000
a)Individual/HUF	0	0	0	0.0000	0	0	0	0.0000	0.0000
b)Central Govt.	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) StateGovt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Bodies Corp.	6450000	0	6450000	71.1921	6450000	0	6450000	71.1921	0.0000
e)Banks/FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
f) Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (1):-</b>	<b>6450000</b>	<b>0</b>	<b>6450000</b>	<b>71.1921</b>	<b>6450000</b>	<b>0</b>	<b>6450000</b>	<b>71.1921</b>	<b>0.0000</b>
(2)Foreign									
a)NRIs-Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
b)Other-Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
c)Bodies Corp.	0	0	0	0.0000	0	0	0	0.0000	0.0000
d)Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
e)Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Sub-total (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>6450000</b>	<b>0</b>	<b>6450000</b>	<b>71.1921</b>	<b>6450000</b>	<b>0</b>	<b>6450000</b>	<b>71.1921</b>	<b>0.0000</b>
<b>B. Public Shareholding</b>									
<b>1.Institutions</b>									
a) Mutual Funds	299795	5700	305495	3.3719	299795	5700	305495	3.3719	0.0000
b) Banks / FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Central Govt	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
e) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
f)Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
g) FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
h)Foreign Venture capital	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Others (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000

Sub-total (B) (1):-	299795	5700	305495	3.3719	299795	5700	305495	3.3719	0.0000
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	229794	82300	312094	3.4447	174676	82300	256976	2.8364	-0.6083
ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	529682	942050	1471732	16.2443	536075	936850	1472925	16.2575	0.0132
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	469582	42000	511582	5.6466	523507	42000	565507	6.2418	0.5952
<b>c) Others (specify)</b>									
Non Resident Individuals	7697	1400	9097	0.1004	7697	1400	9097	0.1004	0.0000
<b>Sub-total(B)(2):-</b>	<b>1236755</b>	<b>1067750</b>	<b>2304505</b>	<b>25.4360</b>	<b>1241955</b>	<b>1062550</b>	<b>2304505</b>	<b>25.4360</b>	<b>0.0000</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B) (2)</b>	<b>1536550</b>	<b>1073450</b>	<b>2610000</b>	<b>28.8079</b>	<b>1541750</b>	<b>1068250</b>	<b>2610000</b>	<b>28.8079</b>	<b>0.0000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>Grand Total (A+B+C)</b>	<b>7986550</b>	<b>1073450</b>	<b>9060000</b>	<b>100.0000</b>	<b>7991750</b>	<b>1068250</b>	<b>9060000</b>	<b>100.0000</b>	<b>0.0000</b>

ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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.	Spice Energy Private Limited	6450000	71.1921	0.00	6450000	71.1921	0.0000	0.0000
	Total	6450000	71.1921	0.00	6450000	71.1921	0.0000	0.0000

iii. **Change in Promoters' Shareholding (please specify, if there is no change):** There is no change in the promoters' shareholding during the year of reporting.

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

S. 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
	<b>For Each of the Top 10 Shareholders</b>				
1.	UTI-UNIT LINKED INSURANCE PLAN At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	299795 - 299795	3.309 - 3.309	299795 299795 299795	3.309 3.309 3.309
2.	ARUN K HITKARI At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	154800 - 154800	1.709 - 1.709	154800 154800 154800	1.709 1.709 1.709
3.	AJAY RAJENDRA GUPTA At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	133537 - 133537	1.474 - 1.474	133537 133537 133537	1.474 1.474 1.474
4.	NEELAM AJAY GUPTA At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	116475 - 116475	1.286 - 1.286	116475 116475 116475	1.286 1.286 1.286
5.	BAHUBALI PROPERTIES LTD At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	68600 - 68600	0.757 - 0.757	68600 68600 68600	0.757 0.757 0.757
6.	PRASHANT RAMAKANT PURAV At the beginning of the year Date wise Increase / Decrease in Share holding: 15/05/2015 (Date of Benpos) At the End of the year:	- 53925 53925	- 0.595 0.595	- 53925 53925	- 0.595 0.595
7.	HITKARI POTTERIES PVT LTD At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	47200 - 47200	0.521 - 0.521	47200 47200 47200	0.521 0.521 0.521
8.	GANDHI SECURITIES & INVESTMENT PRIVATE LIMITED At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	25000 - 25000	0.276 - 0.276	25000 25000 25000	0.276 0.276 0.276

S. 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
	<b>For Each of the Top 10 Shareholders</b>				
9	KRISHAN KAPOOR At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	25000 - 25000	0.276 - 0.276	25000 25000 25000	0.276 0.276 0.276
10	KAMALANATHAN G At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	24272 - 24272	0.268 - 0.268	24272 24272 24272	0.268 0.268 0.268
11	LAKSHMISHREE INVESTMETN & SECURITIES PVT. LTD. At the beginning of the year Date wise Increase / Decrease in Share holding: At the End of the year:	54519 (53925) 594	0.602 (0.595) 0.007	54519 594 594	0.602 0.007 0.007

- v. **Shareholding of Directors and Key Managerial Personnel:**  
No KMPs and Directors hold equity shares of the Company.

**V INDEBTEDNESS**

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

(Rs. In Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	10.56	Nil	10.56
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total(i +ii + iii)</b>	Nil	10.56	Nil	10.56
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	5.75	Nil	5.75
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	5.75	Nil	5.75
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	16.31	Nil	16.31
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total ( i +ii + iii)</b>	Nil	16.31	Nil	16.31

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** No Remuneration was paid to Mr. Vishal Rastogi, the only Managing Director of the Company, during the financial year 2015-16, as he has opted not to take any managerial remuneration.
- B. Remuneration to other directors:**  
No remuneration was paid to any of the Directors in any form, during the year.
- C. Remuneration to key managerial personnel other than MD/Manager/WTD**

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company* Secretary	CFO	Total
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	1640791	265800	1906591
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	Nil	Nil	Nil
2.	Stock Option	N.A.	Nil	Nil	Nil
3.	Sweat Equity	N.A.	Nil	Nil	Nil
4.	Commission <ul style="list-style-type: none"> <li>• As % of profit</li> <li>• Others, specify</li> </ul>	N.A.	Nil	Nil	Nil
5.	Others, please specify	N.A.	Nil	Nil	Nil
	<b>Total</b>	<b>N.A.</b>	<b>1640791</b>	<b>265800</b>	<b>1906591</b>

\* The Remuneration of Company Secretary includes the remuneration paid to Mrs. Sanjeevlata Samdani till 31/12/2015, i.e., Rs. 16,04,790/- and Rs. 36,001/- paid to Ms. Kanika Arora who was appointed as CS w.e.f 12th February, 2016.

- VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** No Penalty, Punishment was imposed by any authority e.g., Regional Director, NCLT and/or Court and therefore no Compounding of penalties and punishment was made/applied for by the Company its Directors and Officers in default under the Companies Act, 2013, during the year of reporting.



**Policy for Selection of Directors and determining Directors' independence****1. Introduction**

1.1 SRM Energy Limited (SRM) believes that a progressive Board consciously creates a background of direction to offer a long-term vision and policy approach to improve the quality of governance. Towards this, SRM ensures structure of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 SRM recognizes the significance of Independent Directors in achieving the efficiency of the Board. SRM aims to have an optimal combination of Executive, Non-Executive and Independent Directors.

**2. Scope and Exclusion:**

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to conclude the independence of Directors, in case of their appointment as independent directors of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Human Resources, Nomination and Remuneration Committee" means the committee constituted by SRM's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

**4. Policy:****4.1 Qualifications and criteria**

4.1.1 The Human Resources, Nomination and Remuneration (HRNR) Committee, and the Board, shall review on an annual basis, appropriate skills, acquaintance and knowledge required of the Board as a whole and its individual members. The objective is to have a Board with varied background and skill that are relevant for the Company's operations.

4.1.2 In evaluating the appropriateness of individual Board members, the HRNR Committee may take into account factors, such as:

- common understanding of the Company's
- Educational and professional background

- position in the profession;
- individual and professional principles, integrity and ethics;
- passion to dedicate enough time and energy in carrying out their duties and responsibilities efficiently.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall effort to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013,
- Equity Listing Agreements and other relevant laws.

4.1.4 The HRNR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

**4.2 Criteria of Independence**

4.2.1 The HRNR Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company; (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives—
    - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
      - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
    - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
    - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
    - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
  - f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
  - g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
  - h. who is not less than 21 years of age.
- 4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.
- 4.3 Other directorships / committee memberships**
- 4.3.1 The Board members are likely to have sufficient time and knowledge and skill to contribute to efficient Board performance. Accordingly, members should willingly limit their directorships in other listed public limited companies in such a way that it does not hamper with their role as directors of the Company. The HRNR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.
- For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## Remuneration Policy for Directors, Key Managerial Personnel and other employees

### 1. Introduction

1.1 SRM Energy Limited (SRM) formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is rational and adequate to attract, retain and motivate, to run the company successfully.

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration 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.

### 2. Scope and Exclusion:

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### 3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 **“Director”** means a director appointed to the Board of the Company.

3.2 **“Key Managerial Personnel”** means

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013

3.3 **“Human Resources, Nomination and Remuneration Committee”** means the committee constituted by SRM’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

### 4. Policy:

#### 4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Human Resources, Nomination and Remuneration (HRNR) Committee, shall review and approve the remuneration payable to the Executive Directors of

the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the HRNR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the HRNR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

#### 4.2 Remuneration to Non-Executive Directors & Independent Directors

4.2.1 The Board, on the recommendation of the HRNR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

#### 4.3 Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, position, knowledge and current remuneration levels for comparable jobs.

5. **In present circumstances the Managing Director is not taking any salary and rest all other Directors has also decided not to accept any sitting fees.**

**Form No. MR-3****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,  
**SRM Energy Limited**

Unit No. 206, 2nd Floor, Suneja Tower-II  
District Centre, Janakpuri New Delhi

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SRM Energy Limited. (Hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the SRM Energy Limited 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SRM Energy Limited ("the Company") for the financial year ended on 31st March 2016, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. 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;
5. 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 Take overs) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) 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;
- (d) The company informed that there are no laws which are specifically applicable to the company.

We also report that during the year under review there was no action/event in pursuance of:

1. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
2. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
3. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
4. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
5. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
6. The Company does not have any employees falling under the Applicability of Labour Laws.
7. The Power Projects of company were hived off to their wholly owned subsidiary namely, SRM energy Tamil Nadu Private Limited Vide the hon.ble Bombay high court order dated 3rd September 2013 and is presently in its pre operative stage and hence ,none of the below mentioned sector specific laws are presently applicable to company:
  - a. The Electricity Act, 2003
  - b. National Tariff Policy
  - c. Essential Commodities Act, 1955
  - d. Explosives Act, 1884
  - e. Mines Act, 1952 (wherever applicable)
  - f. Mines and Mineral (Regulation and Development) Act, 1957

**We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 shorter notice

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that the compliance by the company of applicable financial audit and indirect tax's laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals

We 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.

**We further report that during the audit period it was reviewed that:**

- The Nomination and remuneration Committee was not having proper composition till 12.02.2016. However, the same was reconstituted to comply with the requirements of Companies Act, 2013 and SEBI

(LODR) Regulations, 2015 in Board Meeting held on 12.02.2016.

- According to Clause 4.1.1 of SS-1 on Attendance of Meetings states that Every Company Shall maintain separate attendance registers for the meeting of board and meeting of committee, the pages of respective attendance registers shall be serially numbered and in cases if an attendance register is maintained in loose leaf form, it shall be bound periodically depending on the size and volume. According to our observation currently the attendance sheets of company are held in loose leaf form and we advice the company to bind it every year.
- The Company has made minor alterations in the minute book for rectification of a few clerical errors, which were counter signed and approved by the chairman of the meeting while signing. We advice the Company to note such points in the forthcoming meeting as and when any such event occurs.
- The Company has complied with the majority of the secretarial standards; however no noting of the applicability of the same was made during the year in the meetings of the Board. We advice the company to take note of the applicability of the same in the forthcoming Board Meeting.

Place : Mumbai  
Date : 04.08.2016

Ritika Agrawal & Associates  
ACS No.: 23100  
C P No.: 8266

#### **Annexure I to the Secretarial Audit Report for the financial year ended 31st March 2016**

To,  
The Members,  
**SRM Energy Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records and compliance of provision of corporate and other applicable laws, rules, regulation, standards are responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records and compliance based on our audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the Secretarial records .We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the Correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.

Place : Mumbai  
Date : 04.08.2016

Ritika Agrawal & Associates  
ACS No.: 23100  
C P No.: 8266

## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MDA") focuses on significant factors that affected SRM Energy Limited and its subsidiary SRM Energy Tamilnadu Private Limited ("SRM" or the "Company") during the relevant period and to the date of this report. It contains a review and analysis of the financial results for the relevant period, identifies business risks that the Company faces and comments on the financial resources required for the development of its business.

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

#### 1.1 Market Structure

With the enactment of the Electricity Act 2003 and implementation of open access, the market structure in the power sector changed from the old single buyer structure to a multi-buyer model. The generator could sell power to any buyer using the open access provision in transmission and users had the choice to choose their supplier. Ever since the Electricity Act 2003 was introduced, there was increased competition among generators and suppliers, which improved the sector's performance. Currently many states, which have unbundled the SEBs, have reported improvements in their operational efficiency and are able to ensure reliable power supply to consumers.

#### 1.2. Generation

The Overall generation in the country has been increased from 1048.673 during 2014-15 to 1107.386 BU' during the year 2015-16. The Category wise generation performance is as follows:-

Thermal Increased by	7.45 %
Hydro Reduced by	6.09 %
Nuclear Increased by	3.63 %
Bhutan Import Increased by	4.72 %
Overall Growth rate recorded by	5.64 %

#### 1.3. Fuel

Coal production by Coal India Limited (CIL) and its subsidiaries is 538.75 MT in FY16 against 494.238 MT in FY15, reflecting a 9% growth. Domestic natural gas production was 32249.21 MMSCM against 33656.27 MMSCM in FY 2014-15.

#### 1.4. Transmission

Electricity sector in India is growing at rapid pace. During the current year 2016-17, the Peak Demand is expected to be about 153 GW and the Installed Capacity is 303 GW on 30.06.2016 with generation mix of Thermal (69.8%), Hydro (14.1%), Renewable (14.1%) and Nuclear (1.9%).

The transmission lines are operated in accordance with Regulations/standards of Central Electricity

Authority (CEA) / Central Electricity Regulatory Commission (CERC) / State Electricity Regulatory Commissions (SERC). Power surplus States have been inter-alia, able to supply their surplus power to power deficit State Utilities across the country except for some grid congestion in supply of power to Southern region, which is being worked upon.

#### 1.5. Distribution

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the States.

Government of India provides assistance to States through various Central Sector / centrally sponsored schemes for improving the distribution in the remote areas and improving the distribution efficiency through various schemes like Integrated Power Development Scheme (IPDS), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), National Electricity Fund (NEF) etc.

### 2. OPPORTUNITIES AND THREATS

Electricity generation is among the eight core infrastructure sectors of India. Also, thermal power generation accounts for about 69.8% of the total electricity generated in India.

#### The Major opportunities that exist for Companies engaged in Thermal power Industry are as follows:

- The government is targeting a capacity addition of 88.5 GW during 2012-17 and further 86.4 GW during 2017-22.
- Launch of the Ultra Mega Power Project (UMPP) scheme through tariff-based competitive bidding.
- A growing population is likely to boost demand for energy.
- Increasing per-capita usage and catching up with the developing nations will provide further impetus to the energy industry.
- 100% Foreign Direct Investment (FDI) is allowed under the automatic route in the power sector (except atomic energy), subject to all the applicable regulations and laws.

#### The Major Threats that exist for Companies engaged in Thermal power Industry are as follows:

- Fuel Security Concerns: Thermal capacity addition is plagued by the growing fuel availability concerns faced by the Industry. While a significant gas based capacity of more than 20,000 MW is idle due to non-availability of gas. Coal supplies by CIL is restricted to around 70-75% of actual coal requirement by coal based thermal plants,

leading to increased dependence on imported coal with the cascading result of high power generation costs.

- Financial Health of State Discoms: Years of populist tariff schemes, mounting AT&C losses and operational inefficiencies have adversely affected the financial health of State Discoms which are currently plagued with humongous outstanding debts.
- Under-procurement of Power by States: Increasing power generation costs due to limited fuel availability, poor financial health of State Discoms, high AT&C losses have contributed in suppressed demand projections by State Discoms.
- Inimical Financing Environment: Over the last 4-5 years, the lending rates have increased significantly from the time of project appraisal resulting in project cost overrun and hence higher end tariffs.

### 3. OPERATIONAL PERFORMANCE

The Company's project at Tamilnadu consisting of 3X660 MW i.e. 1980 MW capacity being set up through a Wholly Owned Subsidiary SRM Energy Tamilnadu Pvt. Ltd. As such there are no other operations at present and the related expenses incurred during the current period are considered as pre operative expenses pending allocation to the power project.

The company's network has been significantly reduced and it has been incurring cash losses, the board of directors of the company, in its meeting held on March 9, 2015 has decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any.

### 4. PROJECT AT CUDDALORE

As stated in the last Annual Report, the paucity of funds, resulting from the Company not being able to proceed with the Proposed Rights issue, due to reasons beyond its control, has considerably slowed down the progress of the project. Considering the prevailing power industry scenario in the country coupled with the slower pace of growth of the country as a whole, prospective investors have deferred their decisions on investments, which has further compounded the problems.

The Company's applications for allotment of Govt. land entrapped in the project site is in process with the authorities concerned and it is expected that the necessary allotments will be received once we initiate project activities on ground.

### 5. HUMAN RESOURCES

The company has only limited administrative staffs with no business operation. Human Resources/Industrial Relations during the financial year have been dispute

free and cordial. The company has a policy relating to the remuneration to the of Whole time Director/ Executive/ Managing Director, Key Managerial Personnel (KMP) and Senior Management Personnel, as required under the Companies, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been operating with 2 employees during the year. Mrs. Sanjeevlata Samdani had resigned from her office of Company Secretary (CS) of the Company during the year and in her place Ms. Kanika Arora was appointed as CS of the Company.

### 6. INTERNAL CONTROL SYSTEMS

The Company has adequately adopted the procedures to ensure the proper internal control for operations, financial reporting and statutory compliances. M/s Amarjeet Singh & Associates, Chartered Accountants had been the Internal Auditor of the Company for the financial year 2015-16. He has been conducting internal audit at regular intervals at every quarter ending. The summary findings are reported to the audit committee of the Board who actively review the same and suggest ways and means for improving and strengthening the internal control systems. No material discrepancies have been reported by the Internal Auditor during the period of his Audit.

### 7. RISKS AND CONCERNS

The key risks and concerns specific to your Company are as follows:

- Delays in land acquisition leading to delay in getting other construction related approvals remain an area of concern.
- Shortages/ delays in supply of main and Balance of plant equipments.
- Volatility in exchange rates and coal prices
- The availability and cost of capital for funding of new projects could also be a cause of concern, given that power projects are capital intensive. The economic and monetary policies will need to play a key role in ensuring that these projects receive timely funds.
- Considering the huge amount of funds required and the gestation period for the projects, financing of power projects is always a constraint.
- Lack of availability of skilled manpower.

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental / related factors.

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

We believe that the purpose of the Good Corporate Governance is only achieved and materialized if the rights of the stakeholders are safeguarded. The Good Corporate Governance system is built and erected on the balanced quantum of transparency and disciplined way of working. Our organisation works on this ideology and are committed for the transparent way of working further, these are characterised by a firm commitment and adoption of ethical practices by us in our dealings with a wide group of stakeholders.

We have cultivated a culture in which we have ensured the high standards of ethical behavior, individual accountability and transparent disclosure are embedded in all its dealings and shared by its board of directors, management and employees. As a responsible corporate citizen, the Company is committed to ensure high standards of transparency and accountability in all its activities. The Company has established systems and procedures to ensure that its board of directors is well-informed and well-equipped to cope up with its overall responsibilities and to provide the management with the strategic direction needed to create long-term shareholder value.

#### 1. Board of Directors:

The Board of Directors consists of following directors during financial year 2015-16.

##### a. Composition and category of directors:

S.No.	Name Of Directors	Category
1.	Vishal Rastogi	Managing Director (Promoter Category)
2.	Sameer Rajpal	Non Executive and Independent Director
3.	Pranav Kumar	Non Executive and Independent Director
4.	Vijay Kumar Sharma	Non Executive and Independent Director
5.	Tanu Agarwal	Non Executive Director

##### b. Attendance of each director at the Board meetings and the last AGM.

S.No.	Name Of Director	Attendance Particulars	
		No. of Board Meeting attended	Last AGM attended (Yes or No)
1.	Vishal Rastogi	4	Yes
2.	Sameer Rajpal	5	Yes
3.	Pranav Kumar	5	Yes
4.	Vijay Kumar Sharma	5	Yes
5.	Tanu Agarwal	2	No

##### c. Number of other Boards or Board Committees in which Directors are member or Chairperson as on 31st March, 2016.

S. No.	Name of the Directors	No. of other directorships and Committee member of Chairmanship		
		Other Directorships (excluding Private Companies & Sec. 25 Companies)	Committee Memberships	Committee Chairmanships
1.	Vishal Rastogi	Nil	Nil	Nil
2.	Sameer Rajpal	1	4	3
3.	Pranav Kumar	1	3	1
4.	Vijay Kumar Sharma	Nil	Nil	Nil
5.	Tanu Agarwal	Nil	Nil	Nil

##### d. Number of Board meetings held during the reporting year and dates thereof.

During the year, Five Board Meetings were held on May 29, 2015, August 13, 2015, September 30, 2015, November 14, 2015 and February 12, 2016.

##### e. During the year under review, the Independent Directors held one separate meeting on 12th February, 2016 to evaluate the performance of the Chairman, Individual Directors and the Board as a whole and also to assess the Quality, Quantity and timeliness of the flow of Information between the Company Management and the Board. All the independent Directors had attended the meeting.



**2. COMMITTEES OF THE BOARD:****I. AUDIT COMMITTEE**

The Company is having in its place an adequately qualified Audit Committee, which is suitably equipped with the mixture of qualified professional and experienced person. The Committee is also fulfilling the requirements of the Companies Act, 2013 and Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Powers of the Audit Committee**

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Terms of Reference:**

The terms of reference / powers of the Audit Committee are as follows:

- a. To oversee financial reporting and disclosure process.
- b. To recommend the appointment and removal of statutory auditors and decide their remuneration and approval of payment to Statutory auditors for any other services rendered by them.
- c. To review financial results and statements, before submission to the Board, focus primarily on-
  - I. Any change in accounting policies and practices.
  - II. Major accounting entries, based on exercise of judgment by the management.
  - III. Qualifications in the draft audit report.
  - IV. Significant adjustments arising out of the audit.
  - V. Going concern assumption.
  - VI. Compliance with accounting standards.
  - VII. Compliance with Stock Exchange and legal requirements concerning financial statements.
  - VIII. Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with larger interests of the Company.
- d. To oversee adequacy of internal control systems.
- e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.
- f. Discussion with internal auditors and concurrent auditors on any significant findings in their reports and follow up thereon.
- g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.
- h. Reviewing the Company's financial and risk management policies.
- i. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in draft audit report.
  - Management's letters or letter's of Internal Control weakness issued by Stutory Auditors.
- j. Approval or any subsequent modification of transactions of the Company with related parties
- k. Scrutiny of inter-corporate loans and investments
- l. Valuation of undertakings or assets of the Company, wherever it is necessary
- m. to look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- n. to review the functioning of the whistle blower/vigil mechanism.

- o. approval of appointment of Chief Financial officer after assessing the qualifications, experience, background of the candidate.
- p. reviewing the management's discussion and analysis of financial conditions and results of operations.
- q. appointment, removal and terms of remuneration of the Internal Auditors.

**ii. Composition, Name of Members and Chairperson of the Committee.**

During the Financial year 2015-16, The Audit Committee comprised of Mr. Vishal Rastogi, Mr. Sameer Rajpal, and Mr. Vijay Kumar Sharma.

Mr. Sameer Rajpal is presently the Chairman of the committee. Ms. Kanika Arora, Company Secretary and Compliance officer is the secretary of the Committee, the Chief financial officer of the Company and the statutory auditors are permanent invitees to the meeting of the Audit Committee. The minutes of each Audit Committee meeting are placed before and discussed in the Board.

**iii. Meetings and attendance during the year.**

During the year, the Committee has met 4 times on May 29, 2015, August 13, 2015, November 14, 2015 and February 12, 2016.

Attendance of each member at the Audit Committee meetings held during the year is as follows:

Name of Committee Member	No. of meetings held	No. of meetings attended
Sameer Rajpal	4	4
Vijay Kumar Sharma	4	4
Vishal Rastogi	4	3

**II. NOMINATION AND REMUNERATION COMMITTEE**

The Company has a duly constituted Nomination and Remuneration Committee, which is responsible for identification of the suitable person as Directors, KMPs, and other Senior Management and recommending to the Board for their appointment. The detailed terms of reference of the said Committee is as under:

**(i) Terms of reference:**

The terms of reference for the Nomination and Remuneration Committee are enumerated herein below:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.

**(ii) Composition, Name of Members and Chairperson of the committee**

During the year 2015-16, the Nomination and Remuneration committee consists of following 3 members:

- Sameer Rajpal
- Pranav Kumar
- Vishal Rastogi (Upto 12/02/2016)
- Vijay Kumar Sharma (From 12/02/2016)
- Mr. Sameer Rajpal is the Chairman of the Committee.

**(iii) Attendance during the year**

Only 1 meeting of the Nomination and Remuneration Committee was held during the year on February 12, 2016 at which all 3 members were present.

**(iv) Remuneration Policy**

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed to the Director's Report. Further, the Company has adopted the policy for performance evaluation of Independent Director, Board as a whole and its Committees.

**(v) Details of remuneration paid to all the Directors**

No remuneration is being paid to any of the Director of the Company.

**III. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Prime responsibility of the Stake holders' Relationship Committee is to take care of the shareholder grievances and to resolve the same amicably, within the given time period.

**(i) Name of Non-Executive Director heading the Committee**

Mr. Sameer Rajpal, Mr. Vijay Kumar Sharma and Mr. Vishal Rastogi are the members of the Committee. Mr. Vishal Rastogi acted as the Chairman of the Committee till 14/11/2015, later Mr. Vijay Kumar Sharma was appointed as the Chairman of the Committee w.e.f. 14/11/2015. Further Mr. Vishal Rastogi was present in the previous Annual General Meeting of the Company held on 30th September, 2015.

M/s Datamatics Financial Services Limited was the Registrar and Share Transfer Agents to handle the grievances of the shareholders. The Company suitably monitors and analyse the work of registrar to ensure that the investors' grievances are settled in given time period.

**(ii) Terms of Reference of the Committee, inter alia, includes the following:**

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share certificates
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Registrars and Transfer Agents Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

**(iii) Name and Designation of Compliance officer**

The Compliance officer of the Company is Ms. Kanika Arora, the Company Secretary of the Company, also acts as a secretary to the Committee.

**(iv) Number of Shareholder Complaints received so far**

The Company has Nil Complaints pending at the beginning of the year and it received two complaints from the shareholders during the year and all the complaints were resolved by furnishing the requisite information/ documents. There were Nil complaints pending as on March 31, 2016.

**(v) Number of complaints not solved to the satisfaction of Shareholders: Nil****(vi) Number of Pending Complaints: NIL****IV. RISK MANGEMENT COMMITTEE**

The Risk Management Committee of the Company was established pursuant to Clause 49 of the Listing Agreement (Now, Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015). The Committee was comprising of Mr. Vishal Rastogi, Mr. Sameer Rajpal and Mr. Vijay Kumar Sharma. The Committee was chaired by Mr. Sameer Rajpal.

Further, as per Regulation 21(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the provisions of Clause 49(VI)(C) [Now, Regulation 21(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] relating to constituting the risk management committee are applicable only to top 100 listed Companies by market Capitalization as at the end of the immediate previous financial year. In reference to the aforesaid situation, the Company is not required to have the said Committee as it does not fall into the aforesaid categories of the Companies, hence the Board in its meeting held on 14th November, 2015, dissolved the Committee.

While dissolving the Risk Management System of the Company, the management ensured that the terms of reference of the Committee will be looked after by the Audit Committee.

### 3. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING

**Location and time, where last three AGMs held.**

Year	AGM	Location	Date	Time
2014-15	AGM	Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai-400069.	30.09.2015	02.00 P.M.
2013-14	AGM	Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai-400069.	30.09.2014	02.00 P.M.
2012-13	AGM	Killachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai-400020.	09.12.2013	12.00 NOON

**In the last three financial years, special resolutions as set out in the schedule below were passed by the members of the Company either in the AGM/EGM or through postal ballot:**

**Details of Resolutions passed IN AGM/EGM:**

Year	AGM Date	Special Resolutions
2014-15	30.09.2015	<ul style="list-style-type: none"> <li>• To authorise the board to borrow money under section 180 (1) (c) of the companies act, 2013 as a special resolution.</li> <li>• To authorize the board to create charge / mortgage properties of the company under section 180(1)(a) of the companies act, 2013 as a special resolution.</li> <li>• Increase in limits of investments in other bodies corporate</li> </ul>
2013-14	30.09.2014	<ul style="list-style-type: none"> <li>• Modification in articles of association.</li> </ul>
2012-13	09.12.2013	No special resolution was passed.

Details of Resolutions passed through Postal Ballot:

• **Postal Ballot Notice Dated 30.09.2015:**

Alteration of Clause II of Memorandum of Association of the Company for shifting of Registered Office from Mumbai to Delhi. Details of Voting are as mentioned below:

**Valid Votes:**

Favour/Against	Physical/E-voting	Number of Members who Voted	No. of Votes Cast by them	% of Total No. of Valid Votes Cast
Voted in favour of the Resolution	Physical	15	1908	0.0276%
	E-Voting	5	6920295	99.9651%
	Total	20	6922203	99.9926%
Voted against the Resolution	Physical	4	510	0.0074%
	E-Voting	0	0	0.0000%
	Total	4	510	0.0074%

**Invalid Votes:**

Physical/E-voting	Total No. of Members whose Votes were declared Invalid	Total No. of Votes Cast by them
Physical	3	1500
E-Voting	0	0
Total	3	1500

M/s Ritika Agrawal & Associates, Company Secretaries of Mumbai, conducted the postal ballot process and was as appointed as Scrutiniser for the same. The results of the Postal Ballot were announced on 19th December, 2015. All the statutory formalities relating to the changes have been complied with.

Further at present no Special Resolution is proposed to be conducted through postal ballot.

**4. Disclosures:**

- i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

None of the transactions with any of the related parties, were in conflict with the interests of the Company. However, the Company has formulated a policy on materiality of related party transactions and also on dealing with Related Party Transactions which can be downloaded from the link mentioned below:

<http://www.srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>

This is to note that the relevant Regulation 23 read with Regulation 15 of Listing Regulation, which states the dealing with related party transaction is not applicable to the Company, however Company has put its efforts to comply with the provision to the extent possible on voluntary basis.

- ii. Details of non-compliance by the company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the requirements of the Stock Exchange as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures imposed on the Company by Stock exchanges or SEBI, or any statutory authority on any matter related to capital markets, during the last three years.

- iii. The Company has in place a Vigil Mechanism/ Whistle Blower Policy, the details of establishment of which are given in Board's Report. Further, no personnel has been denied access to the audit committee.

- iv. The Company is compliant with the mandatory requirements applicable to the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- v. Regulation 15 of the Listing Regulation provides an exemption from the compliances of Regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Part C, D and E of Schedule V of Listing the said Regulations, to those Companies having paid up equity share capital not exceeding Rs. 10 Crores and Net Worth Not Exceeding Rs. 25 Crores as on the last day of Previous Financial Year.

Your Company with a Paid Share Capital of Rs. 9.06 Crores and Net Worth of Rs. 11.01 Lacs as at the end of previous financial year is exempted from the Compliances of aforesaid regulations, however it has put its effort to comply with many of those Regulation to the extent possible on voluntary basis.

**5. Means of Communication**

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the unaudited/ audited financial results are intimated to the stock exchange, immediately after the Board meetings at which they are approved. These quarterly results/disclosures are published in Free Press Journal & Nav Shakti, Mumbai.

The financial results/disclosure are also displayed on the website of the Company, i.e., <http://www.srmenergy.in/FinancialResults.php>

**6. General Shareholder Information:**

**i. Annual General Meeting (For financial year 2015-16)**

Date and Time: Thursday, September 29, 2016 at 11.30 a.m.  
Venue: Executive Club, Dolly Farms & Resorts  
439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110 074.

**ii. Financial Year: 01st April to 31st March of every year.**

**Financial Calendar (Tentative and subject to change)**

Financial Results/Disclosure for the Quarter ending June 2016	On or before 14th August, 2016
Financial Results/Disclosure for the Quarter ending September 2016	On or before 14th November, 2016
Financial Results/Disclosure for the Quarter ending December 2016	On or Before 14th February, 2017
Financial Results/Disclosure for the Quarter ending March 2017	On or Before 30th May, 2017
Annual General Meeting	September 2017

- iii. **Date of Book closure:** Friday 23rd September, 2016 to Thursday 29th September, 2016 (both days inclusive).

- iv. **Dividend payment date:** Since Company is not proposing any dividend, this date is not applicable.

**v. Listing on Stock Exchanges, Stock Code & ISIN:**

Instrument	Stock Exchange	Stock Code	Isin
Equity Shares	Bombay Stock Exchange, Mumbai	Trading Symbol- SRMENERGY- 523222	INE 173J01018

**vi. Market Price Data : High, Low during each month in last financial year and performance in comparison to BSE Sensex.**

Months	Share Price (BSE) (In Rs.)		SENSEX		Volume (No. of Shares)
	Month's High Price	Month's Low Price	Month's High	Month's Low	
April 2015	3.34	3.05	29094.61	26897.54	357
May 2015	3.70	3.10	28071.16	26423.99	1845
June 2015	6.72	3.88	27968.75	26307.07	3160
July 2015	7.65	7.05	28578.33	27416.39	21
August 2015	8.03	8.03	28417.59	25298.42	1
December 2015	8.40	7.59	26256.42	24867.73	546
January 2016	7.58	7.22	26197.27	23839.76	66
February 2016	7.50	7.50	25002.32	22494.61	200

Note : Share price data for the months of September, October, November and March is /or not available on the website of BSE for Share of the Company

**vii. Registrar and Transfer Agents (RTA):**

During the year of reporting the Registrar and transfer activity was being handled by M/s Datamatics Financial Services Limited situated at Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai-400093.E-Mail: info@dfssl.com

**viii. Share Transfer System:**

Presently, the share transfers, which are received in physical form, are processed and the Share certificates returned within the prescribed time period, subject to the documents being valid and complete in all respects.

**ix. a. Distribution of shareholding as on March 31, 2016:**

Range	Share	Percent Shares	No. of Holders	Percent Holders
1 - 500	852697	9.41	5119	91.72
501 - 1000	230968	2.55	264	4.73
1001 - 5000	327320	3.61	159	2.85
5001 - 10000	141550	1.56	20	0.36
10001 - 20000	108861	1.20	7	0.13
20001 and Above	7398604	81.66	12	0.22
<b>Total</b>	<b>9060000</b>	<b>100.00</b>	<b>5581</b>	<b>100.00</b>

**b. Distribution of shareholding among Non-Resident, FI, Body Corporate and Individuals:**

As on the end of year of reporting, i.e., as on 31.03.2016, the Distribution of shareholdings between NRI, Mutual Funds, Body Corporate and Resident Individuals are represented below:

Category	No.of shares	%age
Non Resident Indians	9097	0.10
Mutual Funds/UTI	305495	3.37
Bodies Corporate	6706976	74.03
Resident Individuals	2038432	22.50
<b>Total</b>	<b>9060000</b>	<b>100.00</b>

**x. Dematerialization of shares and liquidity**

As at the end of March 31, 2016, 9060000 Equity Shares (88.21% of the equity capital of the company) were dematerialized. The Following table shows the details relating to dematerialization of shares of the Company:

Particulars	No. of Shares	% age
NSDL	7354337	81.17
CDSL	637413	7.04
PHYSICAL	1068250	11.79
<b>Total</b>	<b>9060000</b>	<b>100.00</b>

**xi. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company does not have any Outstanding GDRs/ADRs/Warrants or any Convertible instruments.

**xii. Address for correspondence**

<b>Investor Correspondence</b> (For transfer/ dematerialisation of shares and any other query related to the shares of the Company)	<b>For shares held in physical form</b> Datamatics Financial Services Ltd, Address: Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai-400093. Tel. No. : +91-22-66712151 / 2156 Fax : +91-22-66712161 Email : info@dfssl.com Website : www.datamaticsbpo.com <b>For shares held in Dematerialized form</b> To the depository participant
<b>Any query on Annual Report</b>	SRM Energy Limited Shares Department Address: 206, 2nd Floor, Suneja Tower-2, District Centre, Janakpuri, New Delhi-110058. Phone : 011- 45067736, E-Mail : cs@srmenergy.in

**DECLARATION**

It is hereby declared that all the Board Members and Senior Management of the Company have reaffirmed adherence to in compliance with the 'Code of Conduct' laid down by the Company.

Place: New Delhi  
Date : August 04, 2016

(Vishal Rastogi)  
Managing Director  
DIN:02780975

**COMPLIANCE CERTIFICATE****[Pursuant to Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

To,  
**Board of Directors**  
**SRM Energy Limited**

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**(Vishal Rastogi)**  
Managing Director  
DIN: 02780975

**(Kailash Chandra Gupta)**  
Chief Financial Officer

Date : 27.05.2016  
Place : Delhi

**CORPORATE GOVERNANCE CERTIFICATE**

To the Members of  
**SRM Energy Limited**

We have examined the Compliance of conditions of Corporate Governance by SRM Energy Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to Listing agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. As per the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is exempted to comply with the Corporate Governance provisions as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, to the best of its ability has on voluntarily basis complied with the most of the conditions of Corporate Governance as stipulated in the Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to Listing agreement of the said Company with Stock Exchange.

We further 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 Priya Gupta & Associates**  
Company Secretaries

Place : New Delhi  
Dated : 04.08.2016

**(Priya Gupta)**  
Proprietor  
M. No.- 22710  
C.P. No.- 8180



## INDEPENDENT AUDITOR'S REPORT

### To the Members of SRM ENERGY LIMITED

#### Report on the Financial Statements

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

#### Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are 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 specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

#### Auditor's 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 there under.

We conducted our audit 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 disclosures in the financial statements. The procedures selected depend on the auditor's 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 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of 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.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016;
- b) in the case of the statement of Profit and Loss, of the loss for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

#### Emphasis of Matter

Attention of the matters is invited to note no.27 of the notes to accounts regarding the financial statements of the Company having been prepared on a Going Concern basis, the Company's networth has been significantly reduced and it has been incurring cash losses and the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Company have decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and the statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

Our opinion is not modified in respect to this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we further report that:
- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - 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;
  - in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
  - on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act; and
  - In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 17 on Contingent Liabilities;
    - The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
    - There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

**For VATSS & Associates,**  
**Regn. No.017573N**  
 Chartered Accountants

**Suresh Arora**  
 Partner (M/N: 90862)

Place : New Delhi  
 Dated : 27/05/2016

#### **Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report of even date to the members of **SRM ENERGY**

**LIMITED** on the accounts of the company for the year ended 31st March, 2016

- The Company does not have fixed assets. Hence, clause 3(i)(a) to 3(i)(c) of the order are not applicable to the Company;
- The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company;
- As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence clauses 3 (iii) (a) to (c) of the order are not applicable to the Company.
- In our opinion, and according to the information and explanations given to us, the company has compiled with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it, though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable;

- (b) According to the information and explanations given to us and based on the records of the Group examined by us, the dues outstanding with respect to, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty or cess, as applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ in million	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	0.89	AY 2008-09 to 2014-15	CIT (Appeals)

- (viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not taken any loans from any financial institutions, banks or debenture holder and hence the question of defaulting in repayment of dues does not arise.
- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) According to the records of the company examined by us and as per the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion, the Company has not paid any managerial remuneration. Therefore, the provisions of clause 4 (xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) According to the records of the company examined by us and as per the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the records of the company examined by us and as per the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the records of the company examined by us and as per the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For VATSS & Associates,**  
**Regn. No.017573N**  
Chartered Accountants

**Suresh Arora**  
Partner (M/N: 90862)

Place : New Delhi  
Dated : 27/05/2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note No.	As at 31.03.2016		As at 31.03.2015	
		₹ million		₹ million	
<b>Equity and Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	4	90.60		90.60	
Reserves and Surplus	5	(95.02)	(4.42)	(89.50)	1.10
<b>Non-current Liabilities</b>					
Long-term Provisions	6	0.01	0.01	0.69	0.69
<b>Current Liabilities</b>					
Short-term Borrowings	7	16.31		10.56	
Other Current Liabilities	8	1.67		1.28	
Short-term Provisions	6	-	17.98	0.05	11.89
<b>TOTAL</b>			<b>13.58</b>		<b>13.68</b>
<b>Assets</b>					
<b>Non-current Assets</b>					
<b>Fixed Assets</b>					
Capital Work-in-Progress	9	-	-	-	-
Non-current Investments	10		13.20		13.20
Long-term Loans and Advances	11A		0.26		0.26
			13.46		13.46
<b>Current Assets</b>					
Cash and Cash Equivalents	12		0.12		0.22
Short-term Loans & Advances	11B		-		-
			0.12		0.22
<b>TOTAL</b>			<b>13.58</b>		<b>13.68</b>
Significant accounting policies	2				
<b>See accompanying Notes to the Financial Statements</b>	<b>3-30</b>				

As per our attached report of even date

**For VATSS & Associates**

Chartered Accountants  
ICAI Firm Registration No. 017573N

**SURESH KUMAR ARORA**

Partner  
Membership No.090862

Place : New Delhi  
Date : 27/05/2016

**For and on behalf of the Board of Directors**

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer

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

	Note No.	For The Year Ended As at 31.03.2016 ₹ million	For The Year Ended 31.03.2015 ₹ million
<b>REVENUE</b>			
Revenue From Operations		-	-
Other Income	13	-	0.05
<b>Total Revenue</b>		-	0.05
<b>EXPENSES</b>			
Employee Benefit expenses	14	2.79	3.11
Other Expenses	15	2.73	2.67
<b>Total Expenses</b>		<b>5.52</b>	5.78
<b>Loss before exceptional and extraordinary items and tax</b>		<b>(5.52)</b>	(5.73)
<b>Exceptional Items</b>			
Pre-operative expenses written off		-	1.08
<b>Loss before extraordinary items and tax</b>		<b>(5.52)</b>	(6.81)
Extra-ordinary Items		-	-
<b>Loss before Tax</b>		<b>(5.52)</b>	(6.81)
Tax Expense			
1) Current		-	-
2) Deferred		-	-
		-	-
<b>Loss for the year</b>		<b>(5.52)</b>	(6.81)
Earnings Per Equity Share (₹) (face value of Rs 10 per share)	23		
Basic		<b>(0.61)</b>	(0.75)
Diluted		<b>(0.61)</b>	(0.75)
Significant accounting policies	2		
See accompanying Notes to the Financial Statements	3-30		

As per our attached report of even date

**For VATSS & Associates**

Chartered Accountants

ICAI Firm Registration No. 017573N

**SURESH KUMAR ARORA**

Partner

Membership No.090862

Place : New Delhi

Date : 27/05/2016

**For and on behalf of the Board of Directors**

**Vishal Rastogi**

Managing Director

DIN : 02780975

**Sameer Rajpal**

Director

DIN : 05184612

**Kanika Arora**

Company Secretary

**Kailash Chandra Gupta**

Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For The Year Ended As at 31.03.2016 ₹ million	For The Year Ended 31.03.2015 ₹ million
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS) BEFORE TAX	(5.52)	(6.81)
ADJUSTMENTS FOR		
Interest and Finance Expenses	-	-
Interest Income	-	(0.04)
Pre-operative expenses written off	-	1.08
<b>OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(5.52)</b>	<b>(5.77)</b>
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	0.40	0.31
Increase/(Decrease) in Short-term Provisions	(0.05)	0.01
Increase/(Decrease) in Long-term Provisions	(0.68)	0.20
Decrease/(Increase) in Short-term Loans and Advances	-	0.10
Decrease/(Increase) in Long-term Loans and Advances	-	(0.26)
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	<b>(5.84)</b>	<b>(5.41)</b>
Income Tax Refund/(Paid) (@= ₹ 2260)	<b>@</b>	<b>@</b>
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(5.84)</b>	<b>(5.41)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including CWIP and Capital Advances	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>-</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short-term Borrowings (Net)	5.75	5.48
Interest and Finance Charges Paid	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	<b>5.75</b>	<b>5.48</b>
<b>(D) NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(0.10)</b>	<b>0.07</b>
<b>(E) CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>0.22</b>	<b>0.15</b>
<b>(F) CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 11)</b>	<b>0.12</b>	<b>0.22</b>

As per our attached report of even date

**For VATSS & Associates**

Chartered Accountants  
ICAI Firm Registration No. 017573N

**SURESH KUMAR ARORA**

Partner  
Membership No.090862

Place : New Delhi  
Date : 27/05/2016

**For and on behalf of the Board of Directors**

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****1 Corporate Information**

SRM Energy Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The Company has been engaged in setting up Thermal power project in its wholly owned subsidiary.

**2 SIGNIFICANT ACCOUNTING POLICIES :****i Basis of Preparation**

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP), and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the act) (read with Rule 7 of the Companies (Accounts) Rules, 2014). The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company & are consistent with those used in the previous year.

**ii Use of Estimates**

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets & liabilities & disclosures of contingent liabilities at the date of financial statements & the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events & actions, actual results could differ from these estimates.

**iii Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation & impairment losses (if any). Cost comprises the purchase price & any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to the acquisition of the fixed asset which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**iv Expenditure During Construction Period**

Expenditure incurred during construction period which is directly or indirectly related to the projects is included under Pre-operative Expenses and the same will be allocated to the respective Fixed Assets upon completion of construction.

**v Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price & value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending upon changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**vi Investments**

Investments that are readily realizable & intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost & fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize the decline other than temporary in the value of investments.

**vii Foreign Currency Transactions**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated asset and liabilities (monetary items) are translated into reporting currency at the exchange rates prevailing on the Balance Sheet date. Exchange difference arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognized in the Statement of Profit and Loss.

**viii Employee benefits**

Employee benefits such as salaries, allowances, non-monetary benefits which fall due for payment within a period of twelve months after rendering service, are capitalised if related to project else recognised in the Statement of Profit and Loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity, which fall due for payment after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuation carried out by the third party actuaries at each balance sheet date. The Company's obligations recognized in the Balance sheet represents the present value of obligations as reduced by the fair value of plan assets, where applicable.

Leave Encashment, which is considered as other long term employee benefit, is provided based on actuarial valuation made using projected unit method at the end of the financial year.

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

**ix Borrowing Cost**

Borrowing cost which are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing cost are expensed in the period they occur. Borrowing cost consists of interest & other cost that an entity incurs in connection with the borrowing of funds. In determining the amount of borrowing cost eligible for capitalization during a period, any income earned on the temporary investments of those borrowings is deducted from the borrowing costs incurred.

**x Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**xi Earning Per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**xii Taxation**

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of The Income Tax Act, 1961

Deferred tax resulting from "timing differences" between book and taxable profit is measured using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes, unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company write-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available, against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**xiii Provisions**

A provision is recognized when the Company has a present obligation as a result of past event. 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 are not discounted to its present value and are determined based on 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.



**xiv Contingent Liabilities**

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

**xv Cash Flow Statement**

The Cash Flow Statement is prepared by 'Indirect Method' set out in Accounting Standard 3 on "Cash Flow Statement" and presents the Cash Flow Statement by Operating, Investing and Financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statement consists of Cash in hand and balance in current accounts.

**3 Scheme of Arrangement :**

The Board of Directors in their meeting held on October 18, 2013 has approved the effect of the orders of the Hon'ble Bombay High Court dated 3rd September 2013, (which was filed with the Registrar of Companies on 11th October 2013- the Effective date) approving the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 for hive off of the Cuddalore Power Division of the Company to the SRM Energy Tamilnadu Private Limited, with effect from 1st April 2012 (the "Appointed Date"), Accordingly all the assets and liabilities of the Cuddalore Power Division of the Company at book value as on 01.04.2012 along with increase or decrease thereafter were transferred to the SRM Energy Tamilnadu Private Limited. However, the formalities of transfer of properties, assets, consents, approvals, sanctions, licenses, contracts etc pertaining to the Cuddalore Power Division in the name of the SRM Energy Tamilnadu Private Limited are in progress.

**4 Share Capital**

**Authorised Shares**

Equity Shares of ₹10/- each

**Issued, subscribed and paid up**

Equity Shares of ₹10/- each fully paid up

As at 31.03.2016		As at 31.03.2015	
No. million	₹ million	No. million	₹ million
11.30	113.00	11.30	113.00
11.30	113.00	11.30	113.00
9.06	90.60	9.06	90.60
9.06	90.60	9.06	90.60

**a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares

At the beginning of the year

Issued during the year

Outstanding at the end of the year

9.06	90.60	9.06	90.60
-	-	-	-
9.06	90.60	9.06	90.60

**b 6.45 million (Previous year 6.45 million) Equity Shares are held by the Holding Company - Spice Energy Pvt. Ltd.**

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

Equity Shares of ₹ 10 each fully paid up held by Spice Energy Pvt. Ltd., the holding company

As at 31.03.2016		As at 31.03.2015	
No. million	% holding	No. million	% holding
6.45	71.19%	6.45	71.19%
6.45	71.19%	6.45	71.19%

**d Terms / rights attached to equity shares**

The Company has only one class of Equity Shares having a par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. During the year ended 31st March, 2016 the amount of dividend recognised for payment as dividend was Rs. NIL per share. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

		As at 31.03.2016	As at 31.03.2015
		₹ million	₹ million
<b>5</b>	<b>Reserves and Surplus</b>		
	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance as per last financial statements	(89.50)	(82.69)
	Loss for the Current year	(5.52)	(6.81)
	<b>Balance at the end of the year</b>	<b>(95.02)</b>	<b>(89.50)</b>
<b>6</b>	<b>Provisions</b>		
		<b>Long-term</b>	<b>Short-term</b>
		As at 31.03.2016	As at 31.03.2015
		₹ million	₹ million
	<b>Provision for employee benefit</b>		
	Provision for Gratuity (Unfunded)	0.01	0.32
	Provision for Leave Encashment (Unfunded)	0.00	0.37
		0.01	0.69
		-	-
		-	0.01
		-	0.04
		-	0.05
		As at 31.03.2016	As at 31.03.2015
		₹ million	₹ million
<b>7</b>	<b>Short-term Borrowings</b>		
	<b>(Unsecured &amp; repayable on demand)</b>		
	<b>Loan from Related party (Refer Note 22)</b>		
	- Spice Energy Private Limited	15.58	9.73
	- SRM Energy Tamilnadu Pvt. Ltd.	0.73	0.83
		16.31	10.56
<b>8</b>	<b>Other Current Liabilities</b>		
	Sundry Creditors for Expenses	1.20	0.85
	Provision for Expenses	0.43	0.36
	Other Liabilities	0.04	0.07
		1.67	1.28
<b>9</b>	<b>Capital work in Progress</b>		
	During the year, the Company has not incurred any expenses related to project.		
	<b>Particulars</b>	As at 31.03.2016	As at 31.03.2015
		(₹ million)	(₹ million)
i)	Opening Balance- Pre- Operative expenses	-	1.08
	Less: Written off during the year	-	1.08
	Add: Expenditure incurred during the current year	-	-
	<b>Closing Balance</b>	-	-
		As at 31.03.2016	As at 31.03.2015
		₹ million	₹ million
<b>10</b>	<b>Non-current Investments</b>		
	Trade Investments (valued at cost unless stated otherwise)		
	Investment in equity instruments (Unquoted)		
	-Investment in Equity Instruments of Wholly Owned Subsidiary Company		
	1.32 million (Previous year 1.32 million) Equity Shares in SRM Energy Tamilnadu Pvt. Ltd. of ₹ 10 each fully paid up	13.20	13.20
		13.20	13.20

11 Loans & Advances

**A Long Term Loans & Advances**

Security Deposit

Secured Considered good

Unsecured Considered good

<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>₹ million</b>	<b>₹ million</b>
-	-
<b>0.26</b>	0.26
<b>0.26</b>	0.26

**B Short Term Loans and Advances**

Unsecured Considered good

Advances recoverable in cash or in kind

-	-
-	-
<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>₹ million</b>	<b>₹ million</b>

12 Cash and Cash Equivalents

Balances with Banks in Current Account

Cash in Hand

<b>0.10</b>	0.06
<b>0.02</b>	0.16
<b>0.12</b>	0.22

13 Other Income

Excess Provision for earlier years written back

Interest on income tax refund/TDS written off recovered (@= ₹ 3250, Previous Year @=₹ 2260)

Interest Income

<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>₹ million</b>	<b>₹ million</b>
-	0.01
@	@
-	0.04
-	0.05

14 Employee Benefit expenses

Salaries

Gratuity (refer note no. 20)

Leave Encashment

<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
<b>₹ million</b>	<b>₹ million</b>
<b>2.40</b>	2.90
<b>0.18</b>	0.09
<b>0.21</b>	0.12
<b>2.79</b>	3.11

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
<b>15 Other Expenses</b>		
Advertisement Expenses	0.11	0.08
Auditors' Remuneration (Refer Note no. 18 below)	0.32	0.35
Postage, Telephone, Telex & Courier Charges	0.40	0.13
Printing and Stationery	0.25	0.06
Rent	0.50	0.79
Legal and Professional Charges	0.32	0.27
Rates & Taxes	0.05	-
Interest on TDS (Previous Year : @ = ₹ 2701)	-	@
Secretarial Service Charges	0.21	0.24
Travelling & Conveyance Expenses	0.10	0.30
Annual Listing Fees	0.11	0.11
Miscellaneous Expenses	0.36	0.34
	<b>2.73</b>	<b>2.67</b>

**16 Capital and other commitments**

- i) Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2016: Nil (Previous year: Nil)

**17 Contingent Liabilities:**

Disputed dues of Income tax due to non/late deposit of TDS for the assessment years 2008-09 to 2014-15: ₹0.89 million/- (Previous year - ₹0.73 million)

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
<b>18 Auditors Remuneration (Refer note no 15 above)</b>		
Audit Fees (including limited review)	0.32	0.35
Out of Pocket Expenses	-	-
<b>Total</b>	<b>0.32</b>	<b>0.35</b>

**19 CIF VALUE OF IMPORTS, EXPENDITURE, REMITTANCES AND EARNINGS IN FOREIGN CURRENCY - Nil**

**20 DISCLOSURE OF "EMPLOYEE BENEFITS" as per Accounting Standard 15 are as follows:**

Defined Benefits Plans

Gratuity

Actuarial Assumptions

Discount Rate (Per Annum)

Rate of increase in compensation levels (Per Annum)

Expected average remaining lives of the employees (in no of years)

Attrition Rate

	2015-16	2014-15
Discount Rate (Per Annum)	7.90%	7.90%
Rate of increase in compensation levels (Per Annum)	5%	5%
Expected average remaining lives of the employees (in no of years)	12	12
Attrition Rate	2%	2%

Particulars	₹ million 2015-16	₹ million 2014-15			
<b>I Change in Present Value of Obligation</b>					
Present value of defined benefits obligation as at the beginning of the year	0.33	0.24			
Interest Cost	0.00	0.02			
Current Service Cost	0.18	0.04			
Benefits Paid	(0.50)	-			
Actuarial (Gain) / loss on obligation	0.00	0.03			
Present value of defined benefits obligation as at the end of the year	0.01	0.33			
<b>II Amount recognised in the Balance Sheet</b>					
Liability at the end of the year	0.01	0.33			
Fair Value of Plan Assets at the end of the year	0.00	0.00			
Amount recognised in the Balance Sheet	0.01	0.33			
<b>III Expenses recognised in the Statement of Profit &amp; Loss</b>					
Current Service Cost	0.18	0.04			
Past Service Cost	-	-			
Interest Cost	0.00	0.02			
Expected Return on Plan Assets	-	-			
Net Actuarial (Gain)/Loss Recognised in the year	0.00	0.03			
Total expenses recognised in the Statement of Profit & Loss	0.18	0.09			
<b>IV Balance Sheet Reconciliation</b>					
Liability at the beginning of the year	0.33	0.24			
Expenses as above	0.18	0.09			
Benefits Paid	(0.50)	0.00			
Amount recognised in the Balance Sheet	0.01	0.33			
<b>V Disclosures as required under Para 120(n):</b>					
Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Present value of defined benefit obligation	0.01	0.33	0.24	-	0.99
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.01)	(0.33)	(0.24)	-	(0.99)
Experience adjustment on liability {loss/ (gain)}	(0.01)	(0.01)	(0.21)	-	0.24

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

## 21 Segment Reporting :

The Company has been engaged in setting up Thermal power project in its wholly owned subsidiary, which at present, constitutes its single operating segment as per AS-17 on 'Segment Reporting'.

**22 Related Party Transactions as per Accounting Standard – 18:**
**A. List of Related Parties**

- 1) **Holding Company:**  
Spice Energy Pvt. Ltd
- 2) **Subsidiaries:**  
SRM Energy Tamilnadu Pvt. Ltd. (Wholly owned subsidiary)
- 3) **Key Management Personnel :**  
Mr. Vishal Rastogi      Managing Director

**B. Transactions with Related Parties**

₹ million

Particulars	Holding Company		Subsidiary	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Investment in Wholly owned subsidiary as per Scheme of Arrangement	-	-		
Loan Given	-	-	-	3.14
Payment received against Loan Given	-	-	-	3.14
Loan Taken *	5.84	6.28	-	1.07
Loans repaid *	-	1.67	0.10	0.20
Interest Income			-	0.04
Expenses incurred on our behalf	-	-	-	-
Closing Balance:				
Investment in Wholly owned subsidiary	-	-	13.20	13.20
Creditors for expenses	-	-	-	-
Loan Payable	15.58	9.73	0.73	0.83

\* exclude amount received and repaid on behalf of Wholly Owned Subsidiary as per Scheme of Arrangement in previous year 2013-14.(refer note 3)

**23 Earnings Per Share (EPS):**

Particulars	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
Net Loss as per Statement of Profit and Loss (in ₹)	(5.52)	(6.81)
Weighted average number of equity shares (par value of ₹ 10/- each)	9.06	9.06
Earnings per share (Face value of ₹ 10/- each)- Basic and Diluted (in ₹)	(0.61)	(0.75)

**24 Deferred Tax:**

Deferred tax asset has not been recognized considering the principle of virtual certainty as per Accounting Standard -22 'Accounting for Taxes on Income'.

**25 Disclosure as required under AS – 19 :**

Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below:

- (a) The Company has entered into cancellable / non-cancellable leasing agreement for office premises renewable by mutual consent on mutually agreeable terms.

(b) Future minimum lease payments under non-cancellable operating lease are as under:

₹ million

Particulars	Lease Rental Debited to Statement of Profit and Loss	Future Minimum Lease Rentals		
	(Cancellable and Non cancellable)	Less Than 1 Year	Between 1 to 5 Years	More than 5 Years
Office Premises	0.50	0.30	-	-

The lease rentals have been included under the head "Rent" under Note no. "15 - Other Expenses".

26 In the opinion of the management, the realizable value of Current Assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities are adequately made.

**27 Going Concern**

Though the Company's net worth has been significantly reduced and it has been incurring Cash Losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the company. Further, the Board of Directors of the Company, in its meeting held on March 9, 2015 have decided to sell/dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above development, the accounts have been prepared under going concern basis.

**28 INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN TO SUBSIDIARIES (INFORMATION PURSUANT TO REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013):**

(Rupees in millions)

Loans and advances in the nature of loans to subsidiary :

Name of Company	Outstanding as at the beginning of the year	Given during the year	Adjusted/ repaid during the year	Closing at the end of the year	maximum amount outstanding during the year	Purpose of Loan
SRM Energy Tamilnadu Pvt. Ltd.	-	-	0.10	-	-	General Corporate purpose

29 Previous year figures have been regrouped and rearranged wherever necessary. to make them comparable to those for the current year. Figures in bracket indicate previous year's figures.

30 Figures are rounded off to the million. '@'- represents figures less than Rs. 5,000 which have been shown at actual in brackets with @.

As per our attached report of even date  
For VATSS & Associates  
Chartered Accountants  
ICAI Firm Registration No. 017573N

SURESH KUMAR ARORA  
Partner  
Membership No.090862

Place : New Delhi  
Date : 27/05/2016

For and on behalf of the Board of Directors

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

### To the Members of SRM ENERGY LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SRM ENERGY LIMITED** ("the Holding Company") and its subsidiary SRM ENERGY TAMILNADU PRIVATE LIMITED (the Holding Company and its Subsidiary together referred to as "the Group), which comprise the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial statements").

#### Management's Responsibility for the Financial Statements

The management and Board of Directors of the Holding Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 there under.

We conducted our audit 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 disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's management and Board of 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.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:-

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2016;
- b) in the case of the Consolidated statement of Profit and Loss, of the loss for the period ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

#### Emphasis of Matter

Attention of the matters is invited to note no. 24 of the notes to accounts regarding the consolidated financial statements of the Group having been prepared on a Going Concern basis, the Group's networth has been significantly reduced and it has been incurring cash losses and the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Holding Company have decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and the statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.



Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' report of the Holding Company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 purpose of our audit of the aforesaid consolidated financial statements ;
  - b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as appears from our examination of those books;
  - c. the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
  - e. on the basis of written representations received from the directors of the Holding Company as

on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act; and

- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - (i) The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 16 to the consolidated financial statements;
  - (ii) The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - (iii) There has not been an occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

**For VATSS & Associates,**  
**Regn. No.017573N**  
Chartered Accountants

**Suresh Arora**  
Partner (M/N: 90862)

Place : New Delhi  
Dated : 27/05/2016

**Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report of even date to the members of **SRM ENERGY LIMITED** on the accounts of the Group for the year ended 31st March, 2016

- (i) (a) The Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) As explained to us, fixed assets of the Group have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property are held in the name of the Group;

- (ii) The nature of business of the Group does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Group;
- (iii) As informed to us, the Group has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence clauses 3(iii) (a) to (c) of the order are not applicable to the Group.
- (iv) In our opinion, and according to the information and explanations given to us, the Group has compiled with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Group has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of

Section 73 to 76 or any other relevant provisions of the Act and the Companies(Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- (vi) The Central Government of India has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act and the rules framed in respect of the class of the Company (i.e. Electricity Industry). However, since the Group is in the pre-operative stage, maintenance of cost records is considered as applicable only upon commencement of commercial operations.
- (vii) (a) According to the information and explanations given to us and based on the records of the Group examined by us, the Group is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it, though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable;
- (b) According to the information and explanations given to us and based on the records of the Group examined by us, the dues outstanding with respect to, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty or cess, as applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount in ₹ million	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	0.89	AY 2008-09 to 2014-15	CIT (Appeals)

- (viii) According to the records of the Group examined by us and as per the information and explanations given to us, the Group has not taken any loans from any financial institutions, banks or debenture holder and hence the question of defaulting in repayment of dues does not arise.
- (ix) According to the records of the Group examined by us and as per the information and explanations given to us, the Group has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of

- clause 3 (ix) of the Order are not applicable to the Group and hence not commented upon.
- (x) According to the records of the Group examined by us and as per the information and explanations given to us, we report that no fraud by the Group or on the Group by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion, the Group has not paid any managerial remuneration. Therefore, the provisions of clause 4 (xi) of the Order are not applicable to the Group.
- (xii) In our opinion, the Group is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Group.
- (xiii) According to the records of the Group examined by us and as per the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the records of the Group examined by us and as per the information and explanations given to us, the Group has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Group and hence not commented upon.
- (xv) According to the records of the Group examined by us and as per the information and explanations given to us, the Group has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Group and hence not commented upon.
- (xvi) In our opinion, the Group is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Group and hence not commented upon.

**For VATSS & Associates,**  
**Regn. No.017573N**  
Chartered Accountants

**Suresh Arora**  
Partner (M/N: 90862)

Place : New Delhi  
Dated : 27/05/2016

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note No.	As at 31.03.2016		As at 31.03.2015	
		₹ million		₹ million	
<b>Equity and Liabilities</b>					
<b>Shareholder's Funds</b>					
Share Capital	2	90.60		90.60	
Reserves and Surplus	3	(96.08)	(5.48)	(90.56)	0.04
<b>Non-current Liabilities</b>					
Long-term Provisions	4	0.86	0.86	1.38	1.38
<b>Current Liabilities</b>					
Short-term Borrowings	5	546.12		533.58	
Other Current Liabilities	6	2.68		2.45	
Short-term Provisions	4	0.15	548.95	0.15	536.18
<b>TOTAL</b>			<b>544.33</b>		<b>537.60</b>
<b>Assets</b>					
<b>Non-current Assets</b>					
<b>Fixed Assets</b>					
(a) Tangible Assets	7	114.61		114.71	
(b) Intangible Assets	8	30.00		30.00	
(c) Capital Work-in-Progress	9	306.70	451.31	299.68	444.39
Long-term Loans and Advances	10		92.29		92.29
			<b>543.60</b>		<b>536.68</b>
<b>Current Assets</b>					
Cash and Cash Equivalents	11		0.28		0.51
Short-term Loans & Advances	10		0.45		0.41
			<b>0.73</b>		<b>0.92</b>
<b>TOTAL</b>			<b>544.33</b>		<b>537.60</b>
Significant accounting policies	1				
<b>See accompanying Notes to the Financial Statements</b>	<b>2-31</b>				

As per our attached report of even date

**For VATSS & Associates**

Chartered Accountants  
ICAI Firm Registration No. 017573N

**SURESH KUMAR ARORA**

Partner  
Membership No.090862

Place : New Delhi  
Date : 27/05/2016

**For and on behalf of the Board of Directors**

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer

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

	Note No.	For The Year Ended 31.03.2016 ₹ million	For The Year Ended 31.03.2015 ₹ million
<b>REVENUE</b>			
Revenue From Operations		-	-
Other Income	12	0.00	0.01
<b>Total Revenue</b>		<b>0.00</b>	<b>0.01</b>
<b>EXPENSES</b>			
Employee Benefit expenses	13	2.79	3.11
Other Expenses	14	2.73	2.67
<b>Total Expenses</b>		<b>5.52</b>	<b>5.78</b>
Loss before exceptional and extraordinary items and tax		(5.52)	(5.77)
<b>Exceptional Items</b>			
Pre-operative expenses written off		-	1.08
<b>Loss before extraordinary items and tax</b>		<b>(5.52)</b>	<b>(6.85)</b>
Extra-ordinary Items		-	-
<b>Loss before Tax</b>		<b>(5.52)</b>	<b>(6.85)</b>
Tax Expense			
1) Current		-	-
2) Deferred		-	-
<b>Loss for the year</b>		<b>(5.52)</b>	<b>(6.85)</b>
Earnings Per Equity Share (₹) (face value of Rs 10 per share)	21		
Basic		(0.61)	(0.76)
Diluted		(0.61)	(0.76)
Significant accounting policies	1		
See accompanying Notes to the Financial Statements	2-31		

As per our attached report of even date

**For VATSS & Associates**

Chartered Accountants  
ICAI Firm Registration No. 017573N

**SURESH KUMAR ARORA**

Partner  
Membership No.090862

Place : New Delhi  
Date : 27/05/2016

**For and on behalf of the Board of Directors**

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	For The Year Ended 31.03.2016 ₹ million	For The Year Ended 31.03.2015 ₹ million
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS) BEFORE TAX	(5.52)	(6.85)
ADJUSTMENTS FOR		
Interest Income	-	-
Pre-operative expenses written off	-	1.08
<b>OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(5.52)</b>	<b>(5.77)</b>
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	0.23	(1.38)
Increase/(Decrease) in Short-term Provisions	0.00	0.08
Increase/(Decrease) in Long-term Provisions	(0.52)	0.12
Decrease/(Increase) in Short-term Loans and Advances	(0.04)	0.74
Decrease/(Increase) in Long-term Loans and Advances	-	0.85
<b>CASH (OUTFLOW) / GENERATED FROM OPERATIONS</b>	<b>(5.85)</b>	<b>(5.36)</b>
Interest on income tax refund/TDS written off recovered (@= ₹ 3250, Previous Year @= ₹ 2260)	@	@
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(5.85)</b>	<b>(5.36)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including CWIP and Capital Advances	(6.93)	39.43
Proceeds from Sale of Fixed Assets	-	-
Purchase of Current Investments	-	-
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(6.93)</b>	<b>39.43</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (Repayment) from Short-term Borrowings (Net)	12.55	(33.87)
Interest on income tax refund/TDS written off recovered (@= ₹ 3250, Previous Year @= ₹ 2260)	@	@
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>12.55</b>	<b>(33.87)</b>
<b>(D) NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(0.23)</b>	<b>0.20</b>
<b>(E) CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>0.51</b>	<b>0.31</b>
<b>(F) CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 11)</b>	<b>0.28</b>	<b>0.51</b>

As per our attached report of even date

**For VATSS & Associates**

Chartered Accountants  
ICAI Firm Registration No. 017573N

**SURESH KUMAR ARORA**

Partner  
Membership No.090862

Place : New Delhi  
Date : 27/05/2016

**For and on behalf of the Board of Directors**

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**i Basis of preparation**

SRM Energy Limited (the "Company") has prepared the Consolidated Financial Statements by consolidating its accounts with its subsidiary in accordance with Accounting Standard (AS)-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP), and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the act) (read with Rule 7 of the Companies (Accounts) Rules, 2014). The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company & are consistent with those used in the previous year.

**ii Principles of consolidation**

- a) The Financial statements of the Holding Company and its subsidiary Company (together the "Group) have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.
- b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.

**iii Companies included in Consolidation**

Name of the consolidated entity	Country of Incorporation	Nature of Interest	% of Interest
SRM Energy Tamilnadu Pvt. Ltd. (i.e. SETPL)	India	Subsidiary	100

**iv Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date

of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**v Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation & impairment losses (if any). Cost comprises the purchase price & any attributable cost of bringing the asset to its working condition for its intended use. Borrowing cost relating to the acquisition of the fixed asset which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**vi Expenditure During Construction Period**

Expenditure incurred during construction period which is directly or indirectly related to the power project is included under Pre-operative Expenses and the same will be allocated to the respective Fixed Assets upon completion of construction.

**vii Depreciation and Amortization**

Depreciation has been provided following Straight Line Method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, unless stated otherwise. Goodwill arose during 2007-08 on amalgamation of SRM Energy Pvt. Ltd., a Special Purpose Vehicle for implementing Power Project, into SRM Energy Limited as per the Scheme of Amalgamation approved by the Hon'ble High Courts at Bombay and Delhi and is being transferred from SRM Energy Ltd to SETPL under the Scheme of Arrangement approved by the Hon'ble Bombay High Court vide their order dated 03/09/2013. Goodwill will be amortised over a period of five years after the commencement of commercial production of the projects. Depreciation on additions is charged proportionately from the date of acquisition. Assets individually costing less than or equal to rupees Five thousand have been fully depreciated in the year of purchase.

The depreciation in respect of following assets has been provided based on management estimate of useful life, which is as under:

Particulars	Useful Life
Office Equipment	3 – 10 years

**viii Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication

of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price & value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending upon changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**ix Investments**

Investments that are readily realizable & intended to be held for not more than a year are classified as current investment. All other investments are classified as long term investments. Current investments are carried at lower of cost & fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize the decline other than temporary in the value of investments.

**x Foreign Currency transactions**

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated asset and liabilities (monetary items) are translated into reporting currency at the exchange rates prevailing on the Balance Sheet date. Exchange difference arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) recognized in the Statement of Profit and Loss / Pre-operative expenses.

**xi Employee benefits**

Employee benefits such as salaries, allowances, non-monetary benefits which fall due for payment within a period of twelve months after rendering service, are capitalised if related to project else recognised in the Statement of Profit & Loss in the period in which the service is rendered.

Employee benefits under defined benefit plans, such as gratuity which fall due for payment after completion of employment, are measured by the projected unit credit method, on the basis of actuarial valuation carried out by the third party actuaries at each balance sheet date. The Company's obligations recognized in the Balance sheet represents the present value of obligations

as reduced by the fair value of plan assets, where applicable.

Leave Encashment, which is considered as other long term employee benefit, is provided based on actuarial valuation made using projected unit method at the end of the financial year.

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

**xii Borrowing Cost**

Borrowing cost which are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the respective asset. All other borrowing cost are expensed in the period they occur. Borrowing cost consists of interest & other cost that an entity incurs in connection with the borrowing of funds. In determining the amount of borrowing cost eligible for capitalization during a period, any income earned on the temporary investments of those borrowings is deducted from the borrowing costs incurred.

**xiii Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**xiv Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares). Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**xv Taxation**

- (i) Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of The Income Tax Act, 1961.
- (ii) Deferred tax resulting from "timing differences" between book and taxable profit is measured using the tax rates

and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

- (iii) At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognizes, unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company write-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### xvi Provisions

A provision is recognized when the Company has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on 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.

#### xvii Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the Board of Directors and which have material effect on the position stated in the Balance Sheet.

#### xviii Cash Flow Statement

The cash flow statement is prepared by 'indirect method' set out in Accounting Standard 3 on "Cash Flow Statement" and presents the cash flow statement by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consists of cash on hand and balance in current accounts.

## 2 Share Capital

### Authorised Shares

Equity Shares of ₹10/- each

### Issued, subscribed and paid up

Equity Shares of ₹10/- each fully paid up

As at 31.03.2016		As at 31.03.2015	
No. million	₹ million	No. million	₹ million
11.30	113.00	11.30	113.00
11.30	113.00	11.30	113.00
9.06	90.60	9.06	90.60
9.06	90.60	9.06	90.60

### a Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

At the beginning of the year

9.06 90.60 9.06 90.60

Issued during the year

- - -

Outstanding at the end of the year

9.06 90.60 9.06 90.60

- b 6.45 million (Previous year 6.45 million) Equity Shares are held by the Holding Company - Spice Energy Pvt. Ltd.



c Details of share holders holding more than 5% shares in the Company

	As at 31.03.2016		As at 31.03.2015	
	No. million	% holding	No. million	% holding
Equity Shares of ₹ 10 each fully paid up held by Spice Energy Pvt. Ltd., the holding company	6.45	71.19%	6.45	71.19%
	6.45	71.19%	6.45	71.19%

d Terms/ Rights attached to equity share

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
<b>3 Reserves and Surplus</b>		
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	(90.56)	(83.71)
(Loss) for the Current Year	(5.52)	(6.85)
Balance at the end of the year	(96.08)	(90.56)

4 Provisions

	Long-term		Short-term	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million	₹ million	₹ million
Provision for employee benefit				
Provision for Gratuity (Refer Note no.17)	0.63	0.80	0.08	0.08
Provision for Leave Encashment	0.23	0.58	0.07	0.07
	0.86	1.38	0.15	0.15

5 Short-term Borrowings (Unsecured & repayable on demand)

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
Loan from Related party (Refer Note 19)		
- Inter Corporate Deposit from related party	1.50	1.50
- Loan From Directors and Relatives of Director	445.35	401.20
- Spice Energy Private Limited	99.27	130.88
	546.12	533.58

6 Other Current Liabilities

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
Sundry Creditors for Expenses	1.95	1.72
Provisions for Expenses	0.50	0.53
Other Liabilities	0.23	0.20
	2.68	2.45

**7 Tangible Fixed Assets**

₹ million

Particulars	Land	Furniture & Fixtures	Office Equipments	Computer	Total	Previous year
Gross Block						
As at 01.04.2015	114.56	0.23	0.56	0.55	115.89	115.42
Additions during the year	-	-	-	-	-	0.58
Sales/(discarded) during the year	-	-	-	-	-	-
<b>As at 31.03.2016</b>	<b>114.56</b>	<b>0.23</b>	<b>0.56</b>	<b>0.55</b>	<b>115.89</b>	<b>116.00</b>
Depreciation	-	-	-	-	-	-
As at 01.04.2015	-	0.14	0.52	0.51	1.18	1.04
Add: Transferred as per the said Scheme	-	-	-	-	-	-
Provided during the year	-	0.03	0.02	0.00	0.05	0.25
Adjusted for Last Financial Year	-	0.02	0.01	0.03	0.06	-
On Sale/adjustment	-	-	-	-	-	-
<b>As at 31.03.2016</b>	<b>-</b>	<b>0.19</b>	<b>0.55</b>	<b>0.54</b>	<b>1.28</b>	<b>1.29</b>
Impairment Loss	-	-	-	-	-	-
As at 01.04.2015	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
<b>As at 31.03.2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Block						
As at 01.04.2015	114.56	0.09	0.04	0.02	114.71	-
<b>As at 31.03.2016</b>	<b>114.56</b>	<b>0.04</b>	<b>0.01</b>	<b>0.00</b>	<b>114.61</b>	<b>-</b>

Depreciation and Amortisation for the year

0.05      0.13

Less: Transferred to Preoperative expenses pending allocation

(0.05)      (0.13)

Depreciation &amp; Amortisation as per Profit and Loss Account

-      -

**As at 31.03.2016**      As at 31.03.2015

₹ million      ₹ million

Transitional Depreciation (Refer Note 2 (vii))

**0.06**      0.11

Less: Transferred to Preoperative expenses pending allocation

**(0.06)**      (0.11)

Depreciation &amp; Amortization as per Profit and Loss Account

-      -

**8 Intangible Fixed Assets**

Goodwill

**As at 31.03.2016**      As at 31.03.2015

₹ million      ₹ million

Gross Block

As at 01.04.2015

**30.00**      30.00

Additions during the year

-      -

As at 31.03.2016

**30.00**      30.00

Amortisation

As at 01.04.2015

-      -

Charge for the year

-      -

As at 31.03.2016

-      -

Net Block

As at 01.04.2015

**30.00**      30.00

As at 01.04.2016

**30.00**      30.00

**9 Capital work in Progress**

The Company is in the process of setting up Thermal Power Projects in the State of Tamilnadu. As such the related expenses incurred during the current year as per details below are considered as pre operative expenses pending capitalization (included under Capital Work in Progress) and will be apportioned to the assets on completion of the project:

Particulars	As on 31.03.2016	As on 31.03.2015
	(₹ million)	(₹ million)
Opening Balance	299.68	288.53
Less: Written off during the year	-	1.08
Add: Expenditure incurred during the current year		
Salaries and Perquisites	5.62	6.24
Staff Welfare Expenses	-	-
Legal & Professional Fees	0.17	3.44
Travelling & Conveyance Expenses	0.08	0.09
Telephone / Internet Expenses	0.10	0.11
Auditors' Remuneration	0.11	0.17
Demerger Exp	-	0.27
Rates and Taxes	0.02	0.13
Rent and Compensation	0.41	0.89
Vehicle Running Expenses	-	-
Repairs and Maintenance	0.01	0.04
Electricity Expenses	0.04	0.14
Printing & Stationery	0.03	0.01
Courier/Postage	0.01	0.01
Miscellaneous Expenses	0.30	0.44
Loss/Discard in Sale of Assets	-	-
Interest and Bank Charges(previous year @= 2505)	0.01	@
Depreciation & Amortization	0.05	0.13
Depreciation for the last financial year	0.06	0.11
Total	7.02	12.22
Less : Exchange Rate Difference Gain (net)	-	-
Net Expenses for the year	7.02	12.22
Closing Balance	306.70	299.68

**10 Loans and Advances**

	Long Term		Short Term	
	As at	As at	As at	As at
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	₹ million	₹ million	₹ million	₹ million
a Capital Advances				
Secured Considered good	-	-	-	-
Unsecured Considered good	92.03	92.03	-	-
	92.03	92.03	-	-
b Security Deposit				
Secured Considered good	-	-	-	-
Unsecured Considered good	0.26	0.26	0.41	0.41
	0.26	0.26	0.41	0.41
c Other Loans & Advances				

Unsecured Considered goods

Advance recoverable in cash or in kind - - **0.04** -

	-	-	<b>0.04</b>	-
Total (a+b+c)	<b>92.29</b>	92.29	<b>0.45</b>	0.41

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million

**11 Cash and Cash Equivalents**

Balances with Banks in Current Account	<b>0.24</b>	0.31
Cash in Hand	<b>0.04</b>	0.20

	<b>0.28</b>	0.51
--	-------------	------

**12 Other Income**

Excess Provision for earlier years written back	-	0.01
Interest on income tax refund/TDS written off recovered (@= ₹ 3250, Previous Year @= ₹ 2260)	@	@
	-	0.01

**13 Employee Benefit expenses**

Salaries	<b>2.40</b>	2.90
Gratuity (refer note no. 17)	<b>0.18</b>	0.09
Leave Encashment	<b>0.21</b>	0.12
	<b>2.79</b>	3.11

	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million

**14 Other Expenses**

Advertisement Expenses	<b>0.11</b>	0.08
Auditors' Remuneration	<b>0.32</b>	0.35
Postage, Telephone, Telex & Courier Charges	<b>0.40</b>	0.13
Printing and Stationery	<b>0.25</b>	0.06
Rent	<b>0.50</b>	0.79
Legal and Professional Charges	<b>0.32</b>	0.27
Rates & Taxes	<b>0.05</b>	-
Interest on TDS (Previous Year @ = ₹ 2701)	-	@
Secretarial Service Charges	<b>0.21</b>	0.24
Travelling & Conveyance Expenses	<b>0.10</b>	0.30
Annual Listing Fees	<b>0.11</b>	0.11
Miscellaneous Expenses	<b>0.36</b>	0.34
	<b>2.73</b>	2.67

**15 Capital and other commitments**

- Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2016 : Nil and as at 31/03/2015 : Nil
- For commitment relating to lease arrangements, please Refer Note 20 below.

**16 Contingent Liabilities:**

Disputed dues of Income tax due to non/late deposit of TDS for the assessment years 2008-09 to 2014-15: ₹ 0.89 million/- (Previous year - ₹ 0.73 million)

17 Disclosure of "Employee Benefits" as per Accounting Standard 15 are as follows:

Defined Benefits Plans

Gratuity

Actuarial Assumptions

Discount Rate (Per Annum)

Rate of increase in compensation

Expected average remaining lives of the employees (in no of years)

Attrition

2015-16	2014-15
7.90%	7.90%
5%	5%
11-12	11-12
2%	2%

Particulars	₹ million	₹ million			
	2015-16	2014-15			
Change in Present Value of Obligation					
<b>I Present value of defined benefits obligation as at the beginning of the year</b>	<b>0.88</b>	0.60			
Interest Cost	0.04	0.06			
Current Service Cost	0.28	0.13			
Benefits Paid	(0.50)	(0.08)			
Actuarial (Gain) / loss on obligation	0.01	0.17			
Present value of defined benefits obligation as at the end of the year	0.71	0.88			
<b>II Amount recognised in the Balance Sheet</b>					
Liability at the end of the year	0.71	0.88			
Fair Value of Plan Assets at the end of the year					
Amount recognised in the Balance Sheet	0.71	0.88			
<b>III Expenses recognised in the Pre-operative Expenses / Statement of Profit and Loss</b>					
Current Service Cost	0.28	0.13			
Past Service Cost	-				
Interest Cost	0.04	0.06			
Expected Return on Plan Assets					
Net Actuarial (Gain)/Loss Recognised in the year	0.01	0.17			
Total expenses recognised in the Preoperative Expenses / Statement of Profit and Loss	0.33	0.36			
<b>IV Balance Sheet Reconciliation</b>					
Liability at the beginning of the year	0.88	0.60			
Expenses as above	0.33	0.36			
Employers' Contribution	(0.50)	(0.08)			
Amount recognised in the Balance Sheet	0.71	0.88			
<b>V Disclosures required under Para 120(n)</b>					
Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of defined benefit obligation	0.71	0.88	0.60	1.48	0.99
Fair Value of plan Asset	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.71)	(0.88)	(0.61)	(1.48)	(0.99)
Experience adjustment on liability {loss/(gain)}	0.01	0.12	(0.10)	0.05	0.24

The estimates of future salary increase, considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

18 Segment Reporting :

The Group is in the process of setting up Power Project, which in the context of AS-17 on 'Segment Reporting', constitutes single operating segment.

**19 Related Party Transactions as per Accounting Standard – 18:**
**A List of Related Parties**

- 1) Holding Company:  
Spice Energy Pvt. Ltd.
- 2) Enterprises over which key management personnel and relatives of such personnel exercise significant influence  
Sovinchem Industries Pvt. Ltd.
- 3) Key Management Personnel :  
Mr. Vishal Rastogi            Managing Director  
Mr. Gagan Rastogi            Director (Resigned on November 14, 2014)
- 4) Relatives of Key Management Personnel  
Mr. Gagan Rastogi  
Mr. Deep Kumar Rastogi

**B. Transactions with Related Parties**

₹ million

Particulars	Holding Company		Key Management Personnel and Relatives of Key Management Personnel*		Enterprise in which key management personnel and their relatives exercise significant influence	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Loans Repaid	37.83	86.76	-	-	-	-
Loans Taken	6.22	8.29	44.15	44.60		-
Closing Balance:						
Loan Payable	99.27	130.88	445.35	401.20	1.50	1.50

\* Loan taken includes Loan taken from Mr. Gagan Rastogi amounting to Rs 44.15 Millions (44.30 Millions) and Loan payable includes Loan payable to Mr. Gagan Rastogi amounting to Rs. 445.05 Millions (400.90 Millions)

**20 Disclosure as required by Accounting Standard -19 are as follows:**

Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below:

- (a) The Company has entered into cancellable / non-cancellable leasing agreement for office premises renewable by mutual consent on mutually agreeable terms.
- (b) Future minimum lease payments under non-cancellable operating lease are as under:

₹ million

Particulars	Lease Rental Debited to Statement of Profit and Loss / pre-operative expenses (Cancellable and Non cancellable)	Future Minimum Lease Rentals		
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years
Office Premises	0.90	0.30	-	-

Total lease payments recognised in Statement of Profit and loss / pre-operative expenses during the year was ₹ 0.90 million (Previous Year : ₹1.68 million)

**21 Earnings Per Share (EPS):**

Particulars	As at 31.03.2016	As at 31.03.2015
	₹ million	₹ million
Net Loss as per Statement of Profit and Loss (in ₹)	(5.52)	(6.85)
Weighted average number of equity shares (par value of ₹10/- each)	9.06	9.06
Earnings per share (Face value of ₹ 10/- each)- Basic and Diluted (in ₹)	(0.61)	(0.75)

**22 Deferred Tax:**

Deferred tax Asset has not been recognized considering the principle of virtual certainty as per Accounting Standard -22 'Accounting for Taxes on Income'.

**23 Discontinuing Operations :**

Pursuant to the resolution passed at the meeting of Board of directors of SRM Energy limited (Holding Company) held on March 09, 2015 to sale/ dispose off the Power Plant of its subsidiary viz. SRM Energy Tamilnadu Private Limited, subject to the necessary approvals from the shareholders and other statutory authorities, the following disclosures are being made as per the AS – 24 on Discontinuing Operations.

- 1) SRM Energy Tamilnadu Private Limited (the Company), wholly owned subsidiary of SRM Energy Limited, is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is in the process of setting up of the Thermal Power Project of 3 X 660 MW i.e. 1980 MW capacity in Tamilnadu. The said power project is still in Pre-operative stage and no expenses have been charged to Statement of Profit and Loss.
- 2) As the Company, at present, is operating in single segment viz. setting up of Thermal power project, only as per AS-17 on 'Segment Reporting', the disclosure as required by AS 17, Segment Reporting is not applicable;
- 3) At the meeting of Board of directors of SRM Energy limited (Holding Company) held on March 09, 2015, resolution has been passed to sale/ dispose off the Power Plant of its subsidiary viz. SRM Energy Tamilnadu Private Limited, subject to the necessary approvals from the shareholders and other statutory authorities.
- 4) Since, the company is yet to find the proposed buyer, it is not possible to determine the date or period in which discontinuance is expected to be completed.
- 5) As at 31st March, 2016, the carrying amount of assets to be disposed off was Rs. Nil millions (previous year Rs. 536.08 millions) and its liabilities to be settled were Rs. Nil millions (previous year Rs. 525.80 millions), including the provisions.
- 6) Since the company is in pre-operative stage, there was no revenue or profit attributable to the ordinary activities carried on by the company. The expenses and losses, incurred during the year are not being charged to the Profit and Loss account and the same are being considered under Capital Work-in-progress for pending allocation.
- 7) The amounts of net cash flows attributable to the operating, investing and financing activities of the discontinuing operation during the current financial reporting period are Rs. (0.58) millions, Rs. (6.93) millions and Rs. 12.54 millions respectively.

**24 Going Concern**

Though the Group's network has been significantly reduced and it has been incurring cash losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Company, in its meeting held on March 9, 2015 have decided to sell/dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

**25** Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014, Salient features of the financial statement of its subsidiary are as follows:-

Name of the subsidiary SRM Energy Tamilnadu Pvt. Ltd.

Particulars	₹ million
Share Capital	13.2
Reserves & Surplus	(1.01)
Total Assets	544.72
Total Liabilities	532.53
Investment	-
Turnover	-
Profit/(Loss) before Taxation	-

Particulars	₹ million
Provision for Taxation	-
Profit/(Loss) after Taxation	-
Proposed Dividend	-
% of Shareholding	100%

**26 Particulars of Derivative Instruments as at March 31, 2016 :**

- i) No derivative instruments are acquired for hedging purposes.
- ii) No derivative instruments are acquired for speculation purposes
- iii) Foreign currency exposures that are not hedged by derivative instruments or otherwise are :
  - Capital advance of USD 0.10 million (previous year USD 0.10 million)

**27** Based on the information available with the company, both the balances due to Micro & Small Enterprises as defined under the MSMED Act, 2006 and interest paid /payable during the year under the terms of said act under the terms of MSMED Act are Nil (previous year nil). The auditors have relied upon in respect of this matter.

**28** In the opinion of the management, the realizable value of Current Assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities are adequately made.

**29** Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)	
	As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit and loss	Amount (₹ in Millions)
<b>Parent</b>				
SRM Energy Limited	81%	(4.42)	100%	(5.52)
<b>Subsidiary (indian)</b>				
SRM Energy Tamilnadu Pvt. Ltd.	-222%	12.19	0%	-
<b>Adjustments arising out of consolidation</b>		(13.26)		(0.01)
<b>Consolidated Net Assets/ Profit after Tax</b>		<b>(5.48)</b>		<b>(5.52)</b>

**30** Previous year figures have been regrouped and rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures.

**31** Figures are rounded off to the million. '@'- represents figures less than Rs. 5,000 which have been shown at actual in brackets with @.

As per our attached report of even date  
For VATSS & Associates  
Chartered Accountants  
ICAI Firm Registration No. 017573N

For and on behalf of the Board of Directors

SURESH KUMAR ARORA  
Partner  
Membership No.090862

**Vishal Rastogi**  
Managing Director  
DIN : 02780975

**Sameer Rajpal**  
Director  
DIN : 05184612

Place : New Delhi  
Date : 27/05/2016

**Kanika Arora**  
Company Secretary

**Kailash Chandra Gupta**  
Chief Financial Officer



**Shareholders Instructions for E-voting**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 26, 2016 at 09:00 A.M. and ends on September 28, 2016 at 05:00 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 (record date) of September 22, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members holding shares in physical or in demat form as on cut-off date, i.e., September 22, 2016 shall only be eligible for e-voting.
- (ii) Shareholders who have already voted through e-voting prior to the meeting date would not be entitled to vote through physical mode at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

***(Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.)***

- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on the stickers pasted on the cover of the annual report.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for the **'SRM Energy Limited'** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. Corporates and Custodians already registered with CDSL should use their login details.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - The Admin login details will be sent by CDSL. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 22, 2016 may follow the same instructions as mentioned above for e-Voting.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Other Information:**

- Pursuant to Section 108 and corresponding rules of companies Act, 2013, the company will provide e-voting facility to the members. All business to be transacted at the annual general meeting can be transacted through the electronic voting system.
- The notice of annual general meeting will be sent to the members whose names appear in the register of members/depositories at closing hrs of business on Friday 26th August 2016.
- The Voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
- Mr. Ankush Agarwal, Managing Partner, of M/s. Forecore Professionals LLP has been appointed as Scrutinizer to scrutinize the e-voting process and also the voting done through Physical ballot at the AGM venue and for conducting the same in a fair and transparent manner.
- Notice of the meeting is also displayed at [www.srmenergy.in](http://www.srmenergy.in).
- Scrutinizer shall, after scrutinizing the votes cast at the AGM and through Remote E-voting, not later than 2 (two) days from the conclusion of the AGM submit a consolidated Scrutinizer's report to the Chairman. The Result of the voting will be announced by the Chairman of the meeting on or after the 32nd AGM to be held on 29th September, 2016 and will be communicated to the Stock Exchange and placed on the website of the Company, i.e., [www.srmenergy.in](http://www.srmenergy.in).

**SRM ENERGY LIMITED**

CIN: L17100DL1985PLC303047

Regd. off: 206, 2nd Floor, Suneja Tower-2, District Center, Janakpuri, New Delhi- 110058

Phone: +91 (11) 45067736, Email: info@srmenergy.in, Web: www.srmenergy.in

**PROXY FORM: MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)	:	
Registered address	:	
E-mail Id	:	
Folio No/ Client Id	:	
DP ID	:	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- Name : ..... Address: .....  
E-mail: ..... Signature: ....., or failing him
- Name : ..... Address: .....  
E-mail: ..... Signature: ....., or failing him
- Name : ..... Address: .....  
E-mail: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on the 29th day of September, 2016 at Executive Club, Dolly Farms & Resorts 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110074 at 11:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

- To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2016 and the Reports of Director's and Auditor's thereon.
- To appoint a Director in place of Ms. Tanu Agarwal(DIN- 07134266) who retires by rotation and being eligible, offers himself for reappointment.
- To ratify the appointment of M/s VATSS & Associates, Chartered Accountant (Firm Registration No.- 017573N) as statutory auditors of the Company for the Financial year 2016-17 and to authorise the Board of Directors of the Company to fix their remuneration.

Signed this..... day of..... 20.....

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

Note: 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.

**SRM ENERGY LIMITED**

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**29TH ANNUAL GENERAL MEETING****ATTENDANCE SLIP****PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL**

I/We hereby record my/our presence at the 29th Annual general meeting of the Company to be held on Thursday, September 29, 2015 at 11.30 a.m. at Executive Club, Dolly Farms & Resorts 439, Village Shahurpur, P.O. Fatehpur Beri, New Delhi 110074.

Name(s) of the Shareholder(s) or Proxy (in Block Letters)	No. of Shares held	Registered Folio/Client ID No./DP ID No.

I certify that I am a member/proxy/ authorized representative for the member of the Company.

\_\_\_\_\_  
Signature/s of the Shareholders/s or Proxy

(To be signed at the time of handing over the slip)

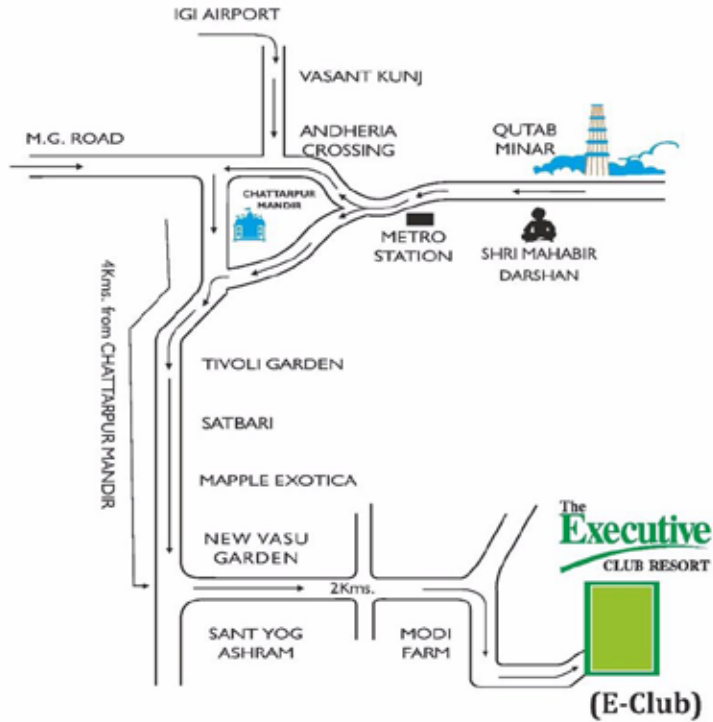
PLEASE CARRY YOUR COPY OF  
ANNUAL REPORTNO GIFTS/SNACKS WILL BE PROVIDED  
AT THE MEETING

# BOOK-POST

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## ROUTE MAP FOR AGM VENUE

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*If undelivered, please return to :*

**DATAMATICS FINANCIAL SERVICES LTD.**

**UNIT:- SRM ENERGY LIMITED**

Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai- 400 093.

Tel. No.: +91-22-66712151 / 2156, Fax.: +91 22 66712161