



**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 Shahpur, 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 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.

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://srmenenergy.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 calculationed

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