



SRM ENERGY LIMITED

**32nd Annual Report
2018-2019**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vishal Rastogi
Mr. Vijay Kumar Sharma
Mrs. Tanu Agarwal
Mr. Shailesh Kumar Singh

Managing Director
Non-Executive & Non-Independent Director (w.e.f 15th March, 2019)
Non-Executive & Independent Director (Re-designated w.e.f 15th March, 2019)
Non-Executive & Independent Director

CS & COMPLIANCE OFFICER

Mr. Suvindra Kumar (w.e.f 02.11.2018)
Ms. Ruchi Singh (Upto 26.07.2018)

CHIEF FINANCIAL OFFICER (CFO)

Mr. Raman Kumar Mallick (w.e.f 02.11.2018)
Mr. Bhupendra Sharma (upto 30.09.2018)

BANKERS

Axis Bank Limited

STATUTORY AUDITORS

M/s VATSS & Associates

REGISTERED OFFICE

21 Basant Lok Complex, Vasant Vihar, New Delhi - 110057

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, 1st Floor, Okhla Industrial Area Phase-1,
New Delhi-110020.
Tel. No. :011-41406149/50/51
Fax :011-41709881
Email : admin@mcsregistrars.com
Website : www.mcsregistrars.com

LISITNG OF SECURITIES

The Bombay Stock Exchange Ltd. (BSE Ltd.)
PhirozeJeejeebhoy Towers,
25th Floor, Dalal Street, Mumbai- 400001

CIN: L17100DL1985PLC303047

CONTENTS

Page No.

Notice and Explanatory Statement	1-4
Director's Report	5-11
Annexures to Director's Report	12-23
Report on Corporate Governance	24-32
Management Discussion and Analysis Report	33-34
Independent Auditor's Report and its Annexure	35-38
Balance Sheet	39
Statement of Profit and Loss	40
Statement of Change in Equity for the year ended 31 st March, 2019	41
Cash Flow Statement	42
Notes to the Financial Statements for the year ended 31 st March, 2019	43-50
Independent Auditor's Report on Consolidated Financial Statements and its Annexure	51-53
Consolidated Balance Sheet	54
Consolidated Statement of Profit and Loss	55
Consolidated Statement of change in Equity	56
Consolidated Cash Flow Statement	57
Notes to Accounts on Consolidated Financial Statements	58-68
Shareholder's Instructions for E-voting	69-70
Proxy Form MGT-11	71

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the members of SRM Energy Limited will be held on Thursday, September 26, 2019 at 11.00 a.m. at Federation of Indian Export Organisations, Niryat Bhawan, Rao Tula Ram Marg, OPP. Army Hospital Research and Referral, New Delhi 110 057, to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1: Adoption of Financial Statement:

To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended 31st March, 2019 and the Reports of Director's and Auditor's thereon.

Item No. 2: Appointment of Directors:

To appoint a Director in place of Mr. Vishal Rastogi (DIN-02780975) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

Item No.3: Regularization of appointment of Mr. Vijay Kumar Sharma (DIN:03272034) as Non-Executive and Non-Independent Director of the Company:

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

"RESOLVED THAT Mr. Vijay Kumar Sharma (DIN: 03272034), who was appointed as an Additional Director of the Company with effect from 15th March, 2019 by the Board of Directors and who holds office upto the date of this AGM of the Company under Section 161(1) of the Companies Act, 2013 read with relevant rules made thereunder and also in accordance with the provisions of the Articles of Association of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160(1) of the Companies Act, 2013 signifying its intention to propose his candidature for the office of Non-Executive and Non-Independent Director, be and is hereby appointed as director of the Company, who shall be liable to retire by rotation."

Item No.4: Re-designation of Mrs. Tanu Agarwal (DIN: 07134266) as an Independent Director of the Company:

To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, the re-designation of the appointment of Mrs. Tanu Agarwal (DIN: 07134266), who meets the criteria for independence as provided in Section 149(6) of the Act and the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration and consent to that effect on 15th March, 2019, and is eligible for the re-designation of her appointment as an Independent Director of the Company, be and is hereby re-designated in the category as such for a period of 5 years commencing from 15th March, 2019 and ending on 14th March, 2024, not liable to retire by rotation."

By Order of the Board of Directors

(Vishal Rastogi)
Managing Director
DIN: 02780975

Place: New Delhi
Date: August 13, 2019

NOTES

1. The related Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the special business items above and the relevant details of the Directors seeking appointment and re-designation as set out in Item Nos.3 and 4 above as required by Regulations 26 (4) and 36 (3) of the SEBI (Listing Regulations) and as required under Secretarial Standard -2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
2. 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 21 BASANT LOK COMPLEX, VASANT VIHAR, NEW DELHI 110057 NOT LESS THAN 48 HOURS BEFORE THIS ANNUAL GENERAL MEETING. A FORM OF PROXY IS GIVEN AT THE END OF THIS ANNUAL REPORT. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE.
3. 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.
4. 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.
5. In case of Joint holders attending the meeting, only such holder who is higher in the order of names will be entitled to vote.
6. Corporate Members intending to send their authorised representative to attend the meeting are requested to send to the Company/ RTA, in advance, a duly certified copy of the Board Resolution/ letter of authority together with the respective specimen signatures of those representatives authorised under said resolution/letter to attend and vote on their behalf at the meeting.
7. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Regulations) the Register of Members and the Share Transfer Books of the Company will remain closed from Friday 20th September, 2019 to Thursday 26th September, 2019 (both days inclusive) for annual closing.

8. A member can inspect proxies lodged at any time during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided that he has given to the Company a notice, in writing of his intention to inspect not less than 3 days' before the commencement of the said meeting.
9. 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.
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:**
 - 1 Notify immediately the change of address, if any, to the Company at 21 Basant Lok Complex Vasant Vihar New Delhi 110057 or to the Registrar and Share Transfer Agent of the Company, MCS Share Transfer Agent Limited, F 65, 1st Floor, Okhla Industrial Area Phase I, New Delhi-110020 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, MCS Share Transfer Agent Limited 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. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with rules made thereunder the Annual Report 2018-19 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 2018-19 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 and 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 "MCS Share Transfer Agent Limited (Unit SRM Energy Limited), F-65, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020" with details like Name, Folio No. and Email ID to register the same at our Registrar and Transfer Agent.
15. 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 Regulations) e-voting facility is being provided to the members. Details of the e-voting process and other relevant details are provided to all the Members at the end of the Annual Report, 2018-19. 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.
16. **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.
17. The Securities and Exchange Board of India (SEBI) has mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of Securities.
18. Route Map and details of prominent landmark of the venue of the meeting is annexed with the Annual Report.

19. Important Communication to Members

SEBI had vide Notification Nos. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 and SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 read with BSE circular no. LIST/COMP/15/2018-19 dated 5th July, 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from 1st April, 2019, except in case of transmission or transposition of securities.

In context to the aforesaid changes in the Regulations, all the shareholders of the Company are advised to dematerialize their physical shareholding at the earliest to avoid any inconvenience. Please note that the Company cannot process the application for transfer of securities in physical form. Members can write to the Registrar in this regard.

NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND IN TERMS OF SECRETARIAL STANDARDS-2.

	(1)	(2)	(3)
Name of Director	Mr. Vishal Rastogi	Mr. Vijay Kumar Sharma	Ms. Tanu Agarwal
DIN	02780975	03272034	07134266
Brief Resume and Nature of his/her expertise in specific functional areas	He is a Promoter Director and is on the Board of the Company since 21 st February, 2014. He has vast and rich experience of 17 years in the field of trading of Minerals and Chemical products together with experience in the field of Oil and Gas. He also manages a firm, which is involved in the Business of Distribution of Auto LPG and Has number of Auto LPG Dispensing stations across India.	He is a Bachelor in Science from Punjab University. He has been associated in the corporate sector since last 40 years. He is having vast and varied experience in the field of Accounts and Finance. He has also handled the job relating to marketing of various products of the Company mainly in Laboratory Chemicals. He is a Non-Executive Independent Director of the Company.	She is a Woman Non-Executive and Independent Director of the Company effective from 15 th March, 2019, however she has been serving the Company w.e.f 01 st April, 2015 as Non-Executive and Non-Independent Director of the Company. She has varied experience of more than 17 Years in the field of Corporate Laws and practical business knowledge. She is well aware of handling compliances and also possesses deep understanding about the Business operations.
Date of Birth	11 th September, 1980	16 th May, 1948	17 th December, 1978
Qualifications	He is Master of Computer Systems from London, UK.	Bachelor in Science from Punjab University	She is a law graduate and also holds a post graduate degree in Commerce. In addition to above, she is Fellow member of The Institute of Companies Secretaries of India (ICSI).
Terms and conditions of appointment/ Re-appointment and re-designation	In terms of Section 152(6) of the Companies Act, 2013, Mr. Vishal Rastogi shall retire by rotation at the forthcoming Annual General Meeting (AGM) and being eligible offers himself for re- appointment.	In terms of Section 161(1) of the Act, Mr Vijay Kumar Sharma holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160 (1) of the Companies Act, 2013 has been received from a member signifying its intention to propose the appointment of Mr. Vijay Kumar Sharma (with a requisite amount of deposit) as a Director of the Company, subject to approval of the Members in the ensuing Annual General Meeting.	Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made thereunder and also read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the appointment of Mrs. Tanu Agarwal who meets the criteria for independence as provided in Section 149(6) of the Act and also as per the declaration and consent made by her in that effect on 15 th March, 2019, and is eligible for appointment as an Independent Director of the Company, is proposed to be appointed as such for a period of 5 years commencing from 15 th March 2019 and ending on 14 th March 2024, not liable to retire by rotation."
Details of Remuneration and remuneration last drawn	NIL	NIL	NIL
Date of first appointment in the Board	21 st February, 2014	15 th March, 2019	1 st April, 2015
Shareholding in the Company	Nil	NIL	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel (if any)	N.A.	N.A.	N.A.
Number of Meetings of the Board attended during the year	Details mentioned in the Corporate Governance Report	Details mentioned in the Corporate Governance Report	Details mentioned in the Corporate Governance Report
Details of other Directorships in other Companies	He is serving the following Companies, as a Director/Partner: 1. SRM Energy Tamilnadu Private Limited 2. Metropolitan Oil and Gas Private Limited 3. Delhikem India Private Limited 4. Nyra Holdings Private Limited 5. BND Gas Private Limited 6. Encode Net Ventures Private Limited 7. Metropolitan Gas LLP He does not hold Directorship in any other Listed Company apart from this Company.	He is serving the following Companies, as a Director/Additional Director: 1. Metropolitan Minerals Private Limited 2. Chemical Distributors (I) Limited 3. SRM Energy Tamilnadu Private Limited 4. Green Field Land And Development Housing Private Limited He does not hold Directorship in any other Listed Company apart from this Company.	As on the date of this report, she does not hold Directorship in any other Listed Company apart from this Company
Details of Membership/ Chairmanship of Committees of the Boards in other Companies	NIL	NIL	NIL

EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013, the following Explanatory Statements sets out all material facts relating to the business mentioned under Item Nos. 3 to 4 of the accompanying Notice dated 13th August, 2019:

Item No. 3: Regularization of appointment of Mr. Vijay Kumar Sharma (DIN:03272034) as Non-Executive and Non-Independent Director of the Company:

The Board of Directors had appointed Mr. Vijay Kumar Sharma as an Additional Director of the Company pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of the Company and in compliance with applicable regulations of SEBI (Listing Regulations) in the category of Non -Executive and Non-Independent Director, with effect from 15th March, 2019.

Presently Mr. Vijay Kumar Sharma is acting as a Non-Executive and Non-Independent Director on the Board as per the requirements of Regulation 17 of the SEBI (Listing Regulations). He will hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member signifying its intention to propose the candidature of Mr. Vijay Kumar Sharma for the office of his Directorship in the Company under the provisions of Section 160 of the Act, 2013. Further, in terms of Companies Amendment Act, 2017 (relevant provisions notified on 09.02.2018), the requirement to deposit Rs. 100,000 towards the proposal of the candidature of directorship is only required if the following proviso of Section 160 of the Companies Act, 2013 is not fulfilled:

"Provided that requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee, if any, constituted under sub- section (1) of Section 178 or a director recommended by the Board of Directors of the Company, in case of a company not required to constitute Nomination and Remuneration Committee."

However, at the time of his appointment Nomination and Remuneration Committee was not properly constituted, thus he was appointed directly by Board of Directors. Thus, the requirement to deposit Rs 1,00,000 towards the proposal of his candidature of directorship is duly met by a shareholder of the company by submitting a cheque of Rs 1,00,000/- on 5th August, 2019.

Mr. Sharma is a Bachelor in Science from Punjab University. He has been associated in the corporate sector since last 40 years. He is having vast and varied experience in the field of Accounts and Finance. He has also handled the job relating to marketing of various products of the Company mainly in Laboratory Chemicals.

Having regard to his qualifications, knowledge and experience his appointment as an Non Executive and Non Independent Director will be in the interest of the Company. The Board of Directors accordingly recommends the resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel, and/or their relatives, except Mr. Vijay Kumar Sharma is, in any way, concerned or interested in the said resolution.

Item No. 4: Appointment of Mrs. Tanu Agarwal (DIN: 07134266) as an Independent Director of the Company:

In terms of Section 161(1) of the Act, Mrs. Tanu Agarwal who was appointed as Non-Executive and Non-Independent Director of the Company w.e.f 01/04/2015, she vide her consent letter dated 15th March, 2019, has shown her intention to be re-designated as Non-Executive and Independent Director of the Company. She has further submitted her consent/declaration U/s 149 (6) of the Companies, Act, 2013 to the effect that she meets the criteria of Independence. The Board pursuant to her aforesaid consent and declaration has considered to re-designate her appointment in the category of Independent Director, (subject to the shareholders' approval) w.e.f 15th March, 2019.

Mrs. Tanu Agarwal was earlier appointed in the Board w.e.f 01.04.2015 in the capacity of Non-Executive and Non- Independent director of the Company, however as mentioned above, she has shown her intention and also given her consent and necessary declaration, as aforesaid, for the re-designation in the category of Non-Executive and Independent Director.

Presently Mrs. Tanu Agarwal is acting as an Independent Director on the Board as per the requirements of Regulation 17 of the SEBI (Listing Regulations). In pursuance of the provisions of Section 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Tanu Agarwal being eligible and offering her re-designation/appointment as such, is proposed to be re-designated and appointed in the capacity of Independent Director for a period of 5 years commencing from 15th March, 2019 and ending on 14th March, 2024, not liable to retire by rotation.

Mrs. Tanu Agarwal has a varied experience of more than 17 years in the field of Corporate Laws and practical business knowledge. She is well aware of handling compliances and also possesses deep understanding about the implications of various law on the business operations. She is a law graduate and also holds a post-graduation degree in commerce. She is also a fellow member of Institute of Company Secretaries of India (ICSI).

As in the opinion of the Board Mrs. Tanu Agarwal fulfills the conditions specified in the Law to be re-designated and appointed in the category of Independent Director of the Company. A copy of the draft letter for her re-designation/appointment as an independent Director setting out the terms and conditions, is available for inspection without any fee by the members, at the Company's registered office during normal business hours on working day up to the date of the AGM.

Having regard to her qualifications, knowledge and experience her re-designation in the category of Independent Director will be in the interest of the Company. The Board of Directors accordingly recommends the resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel, and/or their relatives , except Mrs. Tanu Agarwal is, in any way, concerned or interested in the resolution.

By Order of the Board of Directors

Place: New Delhi
Date: August 13,2019

(Vishal Rastogi)
Managing Director
DIN: 02780975

DIRECTOR'S REPORT

To

The Members of SRM ENERGY LIMITED

Your Directors hereby presents the Thirty Second Annual Report, together with the Company's Audited Financial Statements for the financial year 2018-19.

1. Financial Summary/highlights on Performance of the Company (Standalone & Consolidated):-

(in Rs. Million)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	-	-	-	-
Other Income	-	-	-	-
Total Revenue	-	-	-	-
Operational Expenses	-	-	-	-
Employee Benefit Expenses	2.13	3.17	2.13	3.17
Interest and Finance Charges	-	-	-	-
Depreciation and Amortizations	-	-	30.00	-
Other Expenses	1.98	1.11	1.98	1.11
Total Expenses	4.11	4.28	34.11	4.28
Profit/(Loss) before exceptional items	(4.11)	(4.28)	(34.11)	(4.28)
Exceptional Items	-	-	-	-
Profit/(Loss) for the year	(4.11)	(4.28)	(34.11)	(4.28)

2. Dividend

As there is no operating income and profit, consequently, no profit is available for distribution as dividend.

3. Reserves

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

4. Results of Business Operations and the State of Company's Affairs

There is no change in the status of the Project since last reported.

We have been continuously reporting to you that the project of the Company could not take off, and various efforts of the management could not yield any positive results due to the reasons, inter-alia includes:

- Current investment by the promoters being very low vis-a-vis the amount of investment needed for the implementation of the project.
- The unfavourable Industrial scenario, Govt. policies, Company's current status of approvals, status for the land acquisitions and its financial health etc.

Your Company has no other operations, hence, the related expenses incurred during the current period are considered as pre-operative expenses pending allocation to the power project.

The aforesaid continued adverse situation of the Company has led into the further reduction of Network of the Company,

which further slipped from (Rs. 12.79) Millions of the 2017-18 to (Rs. 16.90) Millions of 2018-19.. The losses of the Company has been (Rs. 4.11) Millions for 2018-19 which has further increased the negative Reserves to (Rs. 107.50) Millions in 2018-19 from (Rs. 103.39) Millions in 2017-18. Though the promoters have been infusing funds to meet the liabilities and future running expenses of the Company the accounts have been prepared on going concern basis.

In our previous Report, we had explained you in detail about the loan arrangements between Mr. Gagan Rastogi and the wholly owned subsidiary. The total loan as extended by Mr. Gagan Rastogi to the wholly owned subsidiary as at the end of the financial year was Rs. 43,42,86,000. Mr. Rastogi has been continuously demanding his loan to be repaid, however after exercising all the available avenues, the wholly owned subsidiary was not able to repay the loan amount. Your Company was also not in a position to extend any kind of assistance to the wholly owned subsidiary towards settlement of such loan.

After considering all the option, your Company in its Board Meeting held on 15th March, 2019, has decided to offer the assets (Land) available in the wholly owned subsidiary towards settlement of the loan.

Pursuant to the above consideration, Your Company had obtained approval of Shareholders on 21st April, 2019 by way of conducting the postal ballot process, to sale/transfer, assign,

deliver or otherwise dispose off the Land for the Power Plant admeasuring 215.140 acres currently in the name of its Wholly owned Subsidiary Company viz. SRM Energy Tamilnadu Private Limited towards using the sale proceeds to settle partially the loan extended by Mr. Gagan Rastogi in favour of the wholly owned subsidiary. Upon such approval, the Company has further authorized the wholly owned subsidiary to proceed with the sale process of the land after considering the due process and under intimation of our Board. The subsidiary has therefore initiated the sale of the land, and as on date total 15.35 acres of the land for Rs. 46.05 lacs has been sold. The subsidiary after such sale of the land and with the sale proceeds has partially settle the loan of Mr. Gagan Rastogi. The Total Loan balance of Mr. Gagan Rastogi, as on 13th August, after such settlement, is Rs. 43,46,56,000.

5. Change in Nature of Business

There is no change in the nature of business during the period under review.

6. Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates 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, 2019 till the date of this Report, i.e., 13th August, 2019.

7. Internal Financial Controls

The Company has in place adequate Internal Financial controls with reference to financial statements, which ensures the safeguard of all assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records etc. The Company has also adopted certain policies which ensures the comprehensive and effective management control and necessary compliances under various laws; such policies are, Vigil Mechanism Policies/Whistle Blower Policies and Risk Management Policy.

The Audit Committee reconsidered and reviewed the Internal Financial Control and Risk Management system to which the statutory auditors confirm that the Company's Internal Financial control is adequate. The report on the Internal Financial Control issued by M/s. VATSS & Associates, Chartered Accountants, Statutory Auditors of the Company in compliance with the provisions under the Companies Act, 2013 is forming part as Annexure A of the Auditor's Report for the F.Y. 2018-19.

8. Subsidiaries, Joint Ventures and Associate Companies

Your Company has one wholly owned Subsidiary Company (WOS) viz. SRM Energy Tamilnadu Private Limited and it does not have any Joint Ventures and Associate Companies. The said situation remains same in the Financial Year 2018-19. The company regularly keeps a track on the activities of its WOS Company, though it does not have any operations at present.

Material Subsidiary

Pursuant to the provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, the compliance with the corporate governance provisions as specified in regulation 24, i.e., with respect to subsidiary of listed entity does not apply to the Company during the period under review. However, as practice of good governance, the Board of Directors has approved a policy on Material Subsidiary, which can be viewed on the Company's website at the link:

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

10. Extract of Annual Return

The extracts of Annual Return in Form MGT-9 in pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is appended as an **Annexure 1** to this Annual Report.

11. Performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies included in the Consolidated Financial Statement.

Your company has one wholly owned subsidiary company i.e. SRM Energy Tamilnadu Private Limited. In terms of the Companies Act, 2013 and other applicable rules and regulations, a statement containing salient features of financial statements of Subsidiary in the prescribed format AOC-1 is appended as **Annexure-2** to the Board's Report. Hence, the same has not been provided here for the sake of brevity. The annual accounts of the Subsidiary Company and any other information related to that shall be provided to any member of the Company who may be interested in obtaining the same. It shall also be kept open for inspection at the registered office of the holding Company and subsidiary company concerned.

In accordance with Section 136 of the Companies Act, 2013 and the applicable Accounting Standard on the Consolidated Financial Statements, your Directors have attached the consolidated financial statements of the Company which form a part of the Annual Report.

The board has also explained about the material developments with the subsidiary Company above at Point No. 4, the same is related with the loan obtained by the subsidiary and the settlement thereof.

12. Deposits

The Company has neither accepted nor renewed any deposits during the financial year 2018-19 under the provisions of Chapter V of the Companies Act, 2013. The Ministry of Corporate Affairs vide Notification dated 22nd January, 2019 and 30th April, 2019 had mandated every Company to file a form DPT-3, which requires to provide the details of the deposit received or particulars of transactions not considered as deposits and one time return of outstanding receipt of money or loan by a company which is not considered as deposits as per Rule 2(1)(c) of the companies (Acceptance of Deposit) Rule, 2014.

The Company in compliance of the aforesaid requirements has filed form DPT-3 for one-time return and annual return providing the necessary details.

13. Statutory Auditors & Auditor's Report

The Company has engaged M/s VATSS & Associates, Chartered Accountants, (ICAI Firm Registration No.-

017573N), as the statutory auditors of your Company, who hold office up to the conclusion of the AGM to be held in the year 2020, subject to ratification of their appointment at every subsequent AGM. However, pursuant to provisions of the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, henceforth the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. The members are requested to take note of the aforesaid.

The Report given by the Auditors on the financial statement of the Company is part of this Report.

Further, in terms of Section 143(12) of the Companies Act, 2013, no frauds has been reported by the Auditors to the Audit Committee.

14. Internal Auditor & their Report

The Company has engaged M/s Amar Jeet Singh & Associates, Chartered Accountants as the Internal Auditor of the Company for the Financial Year 2018-19 within the terms of Section 138 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They were further appointed for the Financial Year 2019-20 by the Board of Directors of the Company in their meeting held on 28th May, 2019. The Internal Auditor submits the Internal Audit Reports on a quarterly basis to the Audit Committee of Board of Directors of the Company. The internal audit assists the company to review the operational efficiency and the internal controls. During the audit process for the reporting year, no material discrepancies were reported by them.

15. Secretarial Auditor & Secretarial Audit Report

In terms of the provisions of Section 204 of the Companies Act, 2013 and rules made there under, Mr. Sajal Saxena, Company Secretary was appointed as Secretarial Auditor of the Company during the Financial Year 2018-19.

A Secretarial Audit Report in Form No. MR-3 for the financial year 2018-19 given by the Secretarial Auditors of the Company is annexed as **Annexure-3** with this report.

16. Disclosure about Cost Audit

The provisions of Section 148 of the Companies Act, 2013 read with rules framed thereunder relating to the Cost Audit are not applicable to your Company.

17. Share Capital

The capital structure of the Company remain unchanged during the financial year 2018-19 i.e. the Company has not;

- issued any equity share with differential rights, or Sweat Equity Shares,
- bought back any of its securities,
- provided any Stock Option Scheme to the employees during the relevant period.

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

Your company has not initiated its operation till date, hence members are requested to consider the details as mentioned herein below;

(A) CONSERVATION OF ENERGY		
	The steps taken or impact on conservation of energy	NA
	The steps taken by the company for utilizing alternate sources of Energy	NA
	The capital investment on energy conservation equipments	NA
(B) TECHNOLOGY ABSORPTION		
	The efforts made towards technology absorption	NA
	The benefits derived like product improvement, cost reduction, product development or import substitution	NA
	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NA
	The expenditure incurred on research and development	NA

Details of Foreign currency transactions are as follows:

- The company has not earned any income in Foreign Currency during the year.
- The company has not incurred any expenditure in Foreign Currency.

19. Details of policy developed and implemented by the company on its Corporate Social Responsibility initiatives

The provisions relating to developing and Implementing the policy for the Corporate Social Responsibility under Section 135 of Companies Act, 2013 are not applicable to the Company, hence no such policy are being made effective for the year under reporting.

20. Directors and Key Managerial Personnel

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

During the year under review, the composition of Board of Directors of the Company was changed;

S. No.	Name	Designation	Appointment/ Resignation	Date of Event
1	Mr. Vishal Rastogi	Managing Director	Reappointed	February 21, 2019
2	Mr. Vijay Kumar Sharma	Additional Director (Non- Executive and Non- Independent Director)	Appointment	March 15, 2019
3	Ms. Tanu Agarwal	Director (Non- Executive and Independent Director)	Re- designation	March 15, 2019

The following changes were occurred with respect to the Key Managerial Personnel of the Company during period under review;

S. No.	Name	Designation	Appointment/ Resignation	Date of Event
1	Ms. Ruchi Singh	CS	Resignation	July 26, 2018
2	Mr.Suvindra Kumar	CS	Appointment	November 02, 2018
3	Mr. Bhupender Sharma	CFO	Resignation	September 30, 2018
4	Mr Raman Kumar Mallick	CFO	Appointment	November 02, 2018

Cessation of Director/KMP:

- During the year under review, Mr. Bhupender Sharma had resigned from his office of the Chief Financial Officer (CFO) from the close of the working hours on September, 30, 2018.
- Mr. Vijay Kumar Sharma (Non- Executive & Independent Director) resigned w.e.f 25th February, 2019.
- During the financial year under 2018-19 Ms. Ruchi Singh had resigned from her office of the Company Secretary & Compliance Officer from the close of the working hours on July 26, 2018.

Appointment of New Directors/KMP:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vijay Kumar Sharma (DIN:03272034) was appointed as Additional Director of the Company (in the category of Non-Executive and Non-Independent Director) on 15th March, 2019.

Further, the office of CS was vacant from 26th July, 2018 due to resignation of Ms. Ruchi Singh (previous CS). After considering aforesaid casual vacancy and in terms of applicable provisions of the Companies Act, 2013 the Board of Directors in their meeting held on 2nd November, 2018 appointed Mr. Suvindra Kumar as the new CS of the Company.

Further, The office of CFO was vacant also from 30th September, 2018 due to resignation of Mr. Bhupender Sharma (previous CFO). After considering aforesaid casual vacancy and in terms of applicable provisions of the Companies Act, 2013 the Board of Directors in their meeting held on 2nd November, 2018 appointed Mr. Raman Kumar Mallick as the new CFO of the Company.

Reappointment of Directors*

- In terms of Section 152(6) and other applicable provisions of the Companies Act, 2013 read with the Articles of Association of the Company, **Mr. Vishal Rastogi** Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment, brief resume and other details of Mr. Vishal Rastogi, who is proposed to be re-appointed as Director of your company has been included in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

- In terms of Section 161(1) of the Act, **Mr. Vijay Kumar Sharma** holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Companies Act, 2013, has been received from a Member signifying its intention to propose the appointment of Mr. Vijay Kumar Sharma as a Director of the Company, subject to approval of the Members in the ensuing annual general meeting, considering the recommendation of the Board of Directors of the Company, (since the nomination and remuneration committee of the Board was not constituted at the time of his appointment) it is proposed to appoint Mr. Vijay Kumar Sharma as Non-Executive Non-Independent Director of the Company, subject to approval of the shareholder.

In terms of Section 161(1) of the Act, **Mrs. Tanu Agarwal** who was appointed as Non - Executive and Non-Independent Director of the Company w.e.f 1st April, 2015, she vide her consent letter dated 15th March, 2019 has shown her intention to be appointed as Non-Executive and Independent Director of the Company. The Board has included a resolution for the approval of shareholders, in the notice of ensuing AGM for Re-Designation of Mrs. Tanu Agarwal as Independent Director of the company and also the tenure of her appointment for the period of 5 years w.e.f. 15th March, 2019.

*Note: The Resolutions seeking approval of the members for the appointment and re-designation of aforesaid Directors along with their brief resume and other details, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the terms of Secretarial Standards-2 has been included in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

B) Declaration of Independent Directors

All Independent Directors have submitted declarations within the terms of Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that they meet the criteria of Independence, as prescribed therein. The Board have considered the aforementioned submissions and stipulated that the Independent Directors fulfill the conditions specified under the Companies Act, 2013 along with rules made thereunder and the Listing Regulations.

C) Details of training imparted to Independent Directors

Within the terms of Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your company is exempt from the compliances of the requirements of Regulation 25 (7) of the said Regulations. However, the company follows an orientation program in which various amendments in Companies Act, 2013, Amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Amendments in SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 are discussed.