



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

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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:

- a. The company has not earned any income in Foreign Currency during the year.
- b. 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*

- a) 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.

- b) 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 AFM 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 fulfills 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.

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

D) Formal Annual Evaluation

In terms of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a formal annual evaluation was performed by the Board of Directors of the Company on its own performance, its committee's and Chairman/individual Directors. Pursuant to Schedule IV of the Companies Act, 2013 the performance evaluation of Independent Directors was also done by the entire Board of Directors, excluding the Director being evaluated.

The Independent Directors of the Company in their meeting held on 14th February, 2019 reviewed the performance of Mr. Vishal Rastogi, the Managing Director of the Company, Ms. Tanu Agarwal, then Non-Executive & Woman Director. The Independent Directors also reviewed the performance of Board as a whole and also assess the Quality, Quantity and timeliness of the flow of Information between the Company Management and the Board. The aforesaid meeting was attended by all Independent Directors.

Thereafter, the Board of Directors in their meeting held on 28th May, 2019 evaluated the performance of all the Independent Directors based on set questionnaires/criteria circulated to the Board. The result of aforesaid evaluations were noted by the Nomination and Remuneration Committee in their meeting held on 28th May, 2019. On the basis of above evaluations, the performance of executive Directors and Independent Directors was found satisfactory taking into consideration of the existing circumstance, in which the Company is operating.

21. Number of meetings of the Board of Directors

During the financial year under review, 6 (Six) Board Meetings were held i.e. on May 25, 2018, August 13, 2018, September 27, 2018, November 02, 2018, February 14, 2019 and March 15, 2019. The details of aforementioned Board Meetings and its attendance by each Director are covered in Corporate Governance report forming part of this annual report. The intervening gap between any two meetings was within prescribed time limit under Companies Act, 2013.

22. Audit Committee

The Composition of Audit Committee is in compliance with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. A detailed description about the audit committee is elaborated in the Corporate Governance Report, forming part of the Director's Report. All recommendations made by Audit Committee during the year were accepted by the Board. The Audit Committee met 5 times, i.e., on 25.05.2018, 13.08.2018, 02.11.2018, 14.02.2019 and 15.03.2019.

23. Details of Establishment of Vigil Mechanism for Directors and Employees

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy, framed as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Vigil Mechanism has also been displayed on Company's website at <http://www.srenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Whistle%20Blower.pdf>

24. Nomination and Remuneration Committee

The constitution and term of reference of the Nomination and Remuneration Committee (NRC) meet the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the relevant provisions of the Section 178 of the Companies Act, 2013.

The Corporate Governance Report (forming part of the Director's Report), includes a detailed description about the NRC. The company has in place a Policy formulated by the Board of Directors of the Company relating to the remuneration for the Directors, Key Managerial Personnel and other employees and also the criteria for determining the Qualification, positive attributes and independence of directors is annexed in this report as **Annexure- 4**. The Nomination and Remuneration Committee met 4 times, i.e., 25.05.2018, 13.08.2018, 02.11.2018 and 15.03.2019.

25. Particulars of loans given, investments made, guarantees given and securities provided

Your company has not granted any loans, extended any guarantees or made Investments under Section 186 of the Companies Act, 2013 during the financial year under review.

26. Particulars of contracts or arrangements made with related parties

During the financial year 2018-19, your Company has not made any new contracts with related parties pursuant to Section 188 of Companies Act, 2013. Though likewise the previous year there were instances of transaction with a related party as detailed below:

The Spice Energy Private Limited (Promoter Company), a related party as per Section 2 (76) of the Companies Act, 2013, has provided unsecured loans to our Company. The aforesaid loan fund was provided by the promoter company to fulfill our company's requirements related to legal expenses and necessary statutory compliances. Such loan transactions does not fall under the criteria of Section 188 of the Companies Act, 2013. However, aforesaid loan transaction is covered under the category of material related party transaction as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Though in terms of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the provisions of Regulation 23, dealing with Related Party Transactions (including material related party transactions) are not applicable on a Company having paid up share capital not exceeding Rs. 10 crores and networth not exceeding Rs. 25 crores as on the last day of the previous financial year. Accordingly, our company is exempt to comply with the provisions of Regulation 23.

As a part of good corporate governance, our Company follows the practice to present the details of all related party transactions on quarterly basis before the audit Committee of the Company for their consideration.

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>

27. 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 2018-19:

None of the Director of the Company has drawn any remuneration in any form during the financial year 2018-19. 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 2018-19.

During the year the previous Company Secretary Ms. Ruchi Singh and Chief Financial Officer Mr. Bhupendra Sharma had resigned w.e.f. 26th July, 2018 and 30th September, 2018. Mr. Suvindra Kumar and Mr. Raman Kumar Mallick were appointed at their place as Company Secretary and Chief Financial Officer respectively.

During the year salary of newly appointed CS & CFO was greater than the erstwhile CS and CFO, considering their relevant experience in the industry.

- iii) the percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of employees in the financial year was 20%.

- iv) the number of permanent employees on the rolls of Company:

During the year 2018-19, 4 employees were there on the pay roll of the Company including one Company Secretary and one Chief Financial Officer.

As on 31st March, 2019, only 4 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 were total 4 employees in the Company as at the end of the financial year, two out of them CS and CFO.

During the year Average Increase in the Salary of Employees other than Managerial Personnel is 6.75%. During the year there was no increase in remuneration of Managerial Personnel. Thus, no comparison can be made.

- 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	Mr. Suvindra Kumar*	Company Secretary and Compliance Officer
2	Mr. Raman Mallick*	Chief Financial Officer
3	Ms. Ruchi Singh*	Company Secretary and Compliance Officer
4	Mr. Bhupender Sharma*	Chief Financial Officer
5	Mr K. Kannan	Assistant
6	Mr Nirmal Barman	Assistant

*Ms. Ruchi Singh and Mr. Bhupendra Sharma had resigned and relieved from the post of the CS and CFO of the Company from the end of working hours on 26th July, 2018 and 30th September, 2018 respectively. And in the place of them Mr. Suvindra Kumar and Mr. Raman Kumar Mallick were appointed at their place as Company Secretary and Chief Financial Officer, w.e.f 2nd November, 2018.

- 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.

Managing Director of the Company had not received any remuneration from its Subsidiary.

28. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports.

The Auditors has not submitted any adverse remark, qualification or reservation in their report for the period under review.

However, the Secretarial Audit Report contains the following observations;

"During the period, the Company has made the payment of Annual Listing Fees to BSE Ltd, in different tranches till July 3, 2019, exceeding the last day of payment for such Listing Fees which was paid on July 3, 2019."

The observation of Secretarial Auditor is made on the Payment of Listing Fee to the Bombay Stock Exchange Limited (BSE), such payment is made in full by 3rd July,2019 in different tranches considering the paucity of funds in the Company.

29. Risk Management Policy

In terms of applicable laws and regulations, the Company has formulated a Risk Management Policy duly reviewed by the Board of Directors. The policy includes risk identification, analysis and prioritization of risk and development of risk mitigation plans.

Earlier, a Risk Management Committee was framed by the Board of Directors of the Company in pursuant to the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the said committee was dissolved by the Company w.e.f. 14th November, 2015, in terms of applicability of the provisions for having the risk management committee are only with the top 100 listed Companies based on the market Capitalization as at the end of the immediate previous financial year.

Further, the Audit Committee of the Board is entrusted to ensure the Risk Management Policy and System. The Board of Directors has approved a Risk Management Policy which is available on Company's website with below link:

<http://www.srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Risk%20Management.pdf>

30. Management Discussion and Analysis Report

In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report has been prepared and the same is forming part of this Report.

31. Corporate Governance Report

Your Company believes in good Corporate Governance with a view to perform various compliances, as prescribed under various laws and regulations which are applicable to the Company for the time being in force. Your company remains committed to follow best governance practices in true spirit. 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 Requirement) Regulations, 2015 is included with this Annual Report.

32. Annual Secretarial Compliance Report

Your Company has sought exemption under Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to BSE from submitting the Annual Secretarial Compliance Report. The exemption was filed on 15th May, 2019 based on Net Worth and Paid Up Share Capital of Audited Financial Statement for financial year 2017-18. Also on Adoption of financial statements for the financial year 2019 - 19 on 28th May, 2019 company had once again submitted the claim of exemption to the BSE on the said date.

33. Listing of Securities

The Company's Securities are currently listed on Bombay Stock Exchange Limited (BSE Limited) with ISIN-INE173J01018 and scrip code 523222. The annual listing fee for the Financial Year 2018-19 and 2019-20 has been paid by the Company to BSE Limited. We re-iterate that the Company is regularly complying with all the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

34. Directors' Responsibility Statement

The financial statements of the Company were prepared in accordance with Indian Accounting Standards (Ind AS).

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state/confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the appropriate accounting policies have been selected and applied 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 2018-19 and of the profit and loss of the company for that period;

- c) the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the financial year ended on 31st March, 2019 have been prepared on a going concern basis; and
- (e) the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. Transfer of unclaimed dividend to Investor Education and Protection Fund

During the Financial Year 2018-19, there was no dividend declared and paid. Hence, the provisions of Section 125(2) of the Companies Act, 2013 do not apply.

36. Secretarial Standards

The Company confirms compliance with the applicable requirements of Secretarial Standards.

37. Prevention of Sexual Harassment at Workplace

In terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your company is exempt from compliance under said provisions. Hence, no Internal Complaint Committee (ICC) has been constituted during the period under review.

38. Acknowledgements

Your Directors would like to express their sincere thanks to various stakeholders of the Company i.e Regulatory Bodies, Government, Bankers, Shareholders/Investors, business associates etc. for the Cooperation and assistance received from them. The Board of Directors would also like appreciate them for extending their trust, reliance, sustained support and encouragement during the year under review.

The Directors would also like to place their deep appreciation to the management and the employees of the Company, who have been supporting the Company with their dedication, hard work and commitment at all levels and in the adverse circumstances.

For and on behalf of the Board of Directors

(Vishal Rastogi)
Managing Director
DIN: 02780975

(Shailesh Kumar Singh)
Director
DIN:07688944

Place: New Delhi
Date:13.08.2019

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2019

[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	:	21 Basant Lok Complex, Vasant Vihar, New Delhi- 110057 Phone No: 011-41403205
vi.	Whether listed company	:	Yes / No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited F-65, 1 st Floor, Okhla Industrial Area, Phase-1 New Delhi - 110020.

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 2018-19, hence no turnover was recorded.

Sl. No.	Name and Description of main products / services	NIC Code of the Products/ services	% 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: 21, Basant Lok Complex, Vasant Vihar, New Delhi- 110057.	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 (2018-19)	No. of Shares held at the beginning of the year (2018-19)				No. of Shares held at the end of the year (2018-19)				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(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
Sub-total (1):-	6450000	0	6450000	71.1921	6450000	0	6450000	71.1921	0.0000
(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
Sub-total (2):-	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	6450000	0	6450000	71.1921	6450000	0	6450000	71.1921	0.0000
B. Public Shareholding									
1. Institutions									
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
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	167154	82000	249154	2.7500	163351	81900	245251	2.7069	(0.0431)
ii) Overseas	0	0	0	0.0000	0	0	0	0.0000	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	531302	928450	1459752	16.1121	551805	911650	1463455	16.1529	0.0408
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	523502	42000	565502	6.2417	523502	42000	565502	6.2417	0.0000
c) Others (specify)									
Non Resident Individuals	28697	1400	30097	0.3322	28897	1400	30297	0.3344	0.0022
Sub-total(B)(2):-	1250655	1053850	2304505	25.4360	1267555	1036950	2304505	25.4360	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1550450	1059550	2610000	28.8079	1567350	1042650	2610000	28.8079	0.0000
C. Shares held by Custodian for GDRs&ADRs	0	0	0	0.0000	0	0	0	0.0000	0.0000
Grand Total (A+B+C)	8000450	1059550	9060000	100.0000	8017350	1042650	9060000	100.0000	0.0000

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):

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<u>UTI-UNIT LINKED INSURANCE PLAN</u> At the beginning of the year Date wise Increase/ Decrease in Shareholding: At the End of the year:	299795 - 299795	3.309 - 3.309	299795 - 299795	3.309 - 3.309
2.	ARUN K HITKARI At the beginning of the year Date wise Increase/ Decrease in Shareholding: At the End of the year:	154800 - 154800	1.709 - 1.709	154800 - 154800	1.709 - 1.709
3.	AJAY RAJENDRA GUPTA At the beginning of theyear Datewise Increase/ Decreasein Shareholding: At the End of theyear:	133537 - 133537	1.474 - 1.474	133537 - 133537	1.474 - 1.474
4.	NEELAM AJAY GUPTA At the beginning of theyear Datewise Increase/ Decreasein Shareholding At the End of the year:	116470 - 116470	1.286 - 1.286	116470 - 116470	1.286 - 1.286
5.	PRASHANT RAMAKANT PURAV At the beginning of the year Date wise Increase/ Decrease in Shareholding: At the End of the year:	53925 - 53925	0.595 - 0.595	53925 - 53925	0.595 - 0.595
6.	HITKARI POTTERIES PVT LTD At the beginning of the year Date wise Increase/ Decrease in Shareholding: At theEnd of the year:	47200 - 47200	0.521 - 0.521	47200 - 47200	0.521 - 0.521
7.	BAHUBALI PROPERTIES LTD At the beginning of the year Date wise Increase/ Decrease in Shareholding: At the End of the year:	46000 - 46000	0.508 - 0.508	46000 - 46000	0.508 - 0.508
8.	KRISHAN KAPOOR At the beginning of theyear Datewise Increase/ Decreasein Shareholding: At the End of theyear:	25000 - 25000	0.276 - 0.276	25000 - 25000	0.276 - 0.276
9.	GANDHI SECURITIES & INVESTMENT PVT LTD At the beginning of the year Date wise Increase/ Decrease in Shareholding: At theEnd of the year:	24975 - 24975	0.276 - 0.276	24975 - 24975	0.276 - 0.276
10.	KAMALANATHAN G At the beginning of the year Date wise Increase/ Decrease in Shareholding: At theEnd of the year:	24272 - 24272	0.268 - 0.268	24272 - 24272	0.268 - 0.268

v. Shareholding of Directors and Key Managerial Personnel:

SI No.	For Each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
I.	Shailesh Kumar Singh	25	0.00	25	0.00
	Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.): At the End of the year	N.A.	N.A.	N.A.	N.A.
1.	Shailesh Kumar Singh	25	0.00	25	0.00

V. INDEBTEDNESS

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

(Rs. In Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	24.97	Nil	24.97
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i +ii + iii)	Nil	24.97	Nil	24.97
Change in Indebtedness during the financial year				
• Addition	Nil	3.80	Nil	3.80
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	3.80	Nil	3.80
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	28.77	Nil	28.77
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i +ii + iii)	Nil	28.77	Nil	28.77

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 Managing Director of the Company, during the financial year 2018-19, 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.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary*	CFO**	Total
1.	Grosssalary				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	N.A.	844759	740333	1585092
	(b) Value of perquisites/s 17(2) Income-tax Act,1961	N.A.	Nil	Nil	Nil
	(c) Profits in-lieu of salary undersection17(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"> • As%of profit • Others,specify 	N.A.	Nil	Nil	Nil
5.	Others,please specify	N.A.	Nil	Nil	Nil
	Total	N.A.	844759	740333	1585092

* The Remuneration of Company Secretary (CS) includes the remuneration paid to Ms. Ruchi Singh till 26th July, 2018, i.e Rs. 1,61,226/- and Rs. 6,83,533/- paid to Mr. Suvindra Kumar who was appointed as CS w.e.f 2nd November, 2018.

** The Remuneration of Chief Financial Officer (CFO) includes the remuneration paid to Mr. Bhupender Sharma till 30th September, 2018, i.e Rs. 1,50,000/- and Rs. 5,90,333/- paid to Mr. Raman Kumar Mallick who was appointed as CFO w.e.f 2nd November, 2018.

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.

ANNEXURE-2

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries

Part "A": Subsidiaries

(Information in respect of each subsidiary with amounts in Rs.)

S.No.	Particulars	Name of the Subsidiary
		SRM Energy Tamilnadu Private Limited
1	Date since when subsidiary was acquired	18/10/2013
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
4	Share capital (Paid-up)	13200000
5	Reserves & surplus	(31006337)
6	Total assets	428515350
7	Total Liabilities	446321687
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	Nil
11	Provision for taxation	Nil
12	Profit after taxation	Nil
13	Proposed Dividend	Nil
14	Extent of shareholding (in percentage)	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations:
 - a. SRM Energy Tamilnadu Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year: N.A.

**FORM MR-3
SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31st March 2019
[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
[CIN: L17100DL1985PLC303047]
21, Basant Lok Complex,
Vasant Vihar, New Delhi-110057

I have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. SRM Energy Limited (hereinafter called "the Company"). The 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 my verification of 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 and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, to the best of information/documents reviewed by me, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent based on the management representation letter/ confirmation received from the management, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter dated August 13, 2019 annexed to this report as **Annexure - A**.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the applicable provisions of:
 - i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
 - iv) 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;
 - v) 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 Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(not applicable to the Company during the Audit period);**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit period);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(not applicable to the Company during the Audit period);**
 - g) 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 to the extent of securities issued; and
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit period).**
2. I have relied upon the representation made by the Company and its officers for systems and mechanism framed by the Company for compliances of other applicable applicable Act, Laws and Regulations to the Company. Further, on examination of the relevant documents, records, management confirmations in pursuance thereof, on test check basis, I further report that the Company does not have any employees falling under the applicability of Labour Laws.

3. I have also examined compliance with the applicable clauses of the following:
 - i) Secretarial Standards issued by "The Institute of Company Secretaries of India", with respect to board and general meetings; and
 - ii) The Listing Agreement entered into by the Company with the BSE Limited, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
5. I further report that:
 - a) 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. However, the appointment of Mr. Vijay Kumar Sharma as Non-executive and Non-independent Director and re-designation of Mrs. Tanu Agarwal as Non-executive and Independent Director were carried out by the Board without recommendation of the Nomination and Remuneration Committee (NRC) since the composition of NRC was not as per the Act due to resignation of Independent Director.
 - b) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings was sent at least seven days in advance and where any Board Meeting was held on shorter notice the same was conducted in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
 - c) 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.
 - d) During the period, the Company has made the payment of Annual Listing Fees to BSE Limited, in different tranches till July 03, 2019, exceeding the last day of payment for such listing fees which was paid on July 03, 2019.
 - e) In deemed compliance with provisions of Section 180(1)(a) of the Companies Act, 2013 and Regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (being exempt but on voluntary basis) and pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rule, 2014, the shareholders of the Company through postal ballot on April 21, 2019 approved the proposal to sale/ transfer, assign, deliver or otherwise dispose off the land for the power plant admeasuring 215.140 acres (in the name of SRM Energy Tamilnadu Private Limited, wholly owned subsidiary) to the suitable/prospective buyers/ Investors/ or any other third party/ies for such consideration as may be decided by the Board of Directors of the Company after due negotiations with such prospective buyers/investors/parties, to utilize the sale proceeds to settle partially the loan extended by Mr. Gagan Rastogi to SRM Energy Tamilnadu Private Limited.

Sajal Saxena
Company Secretaries in Practice

Membership No: A28315
Certificate of Practice No: 13387

Date: August 13, 2019
Place: New Delhi

Annexure - A to Secretarial Audit Report dated 13.08.2019

To,
The Members,
SRM Energy Limited
[CIN: L17100DL1985PLC303047]
21, Basant Lok Complex,
Vasant Vihar, New Delhi-110057

The Secretarial Audit Report dated August 13, 2019 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to make a report based on the secretarial records produced for our audit.
2. I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices being followed provide a reasonable basis of this audit report.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sajal Saxena
Company Secretaries in Practice

Membership No: A28315
Certificate of Practice No: 13387

Date: August 13, 2019
Place: New Delhi

ANNEXURE-4

Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees

- 1. Introduction**
 - 1.1 SRM Energy Limited (SRM) formulated the remuneration policy for its directors, key managerial personnel, Senior Management 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, 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;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed under the Companies Act, 2013
 - 3.3 **"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, Companies (Amendment) Act, 2017, rules made thereunder (including any amendment/modifications thereof) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - 3.4 **"Senior Management"** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors (including the functional heads)/chief executive officer /managing director /whole time director/ manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 4. Policy:**
 - 4.1 Remuneration to Executive Directors and Key Managerial Personnel**
 - 4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) 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 NR 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 If committee finds it suitable, the Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR 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 NR 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 Senior Management Personnel**

The NR Committee shall be responsible to recommend to the board, all remuneration, in whatever form, payable to senior management as required from time to time.
 - 4.4 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 view of the the prevailing financial conditions of the company, the Managing Director is not taking any remuneration and rest all other directors have also decided not to accept any siting fees.**

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 o 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 I 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.

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.

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 2018-19.

a. Composition and category of Directors :

S.No.	Name of the Directors	Category
1.	Mr. Vishal Rastogi	Managing Director (Promoter Category)
2.	Mr. Vijay Kumar Sharma*	Non-Executive and Non-Independent Director
3.	Mrs. Tanu Agarwal**	Non-Executive and Independent Director
4.	Mr. Shailesh Kumar Singh	Non-Executive and Independent Director

* Mr. Vijay Kumar Sharma had resigned w.e.f 25th February, 2019 and again appointed as additional Director in the capacity of Non-Executive and Non-Independent Director on 15th March, 2019.

** Ms. Tanu Agarwal was appointed as Non-Executive and Non-Independent Woman Director, though she, vide her consent letter dated 15th March, 2019 has shown her willingness to be appointed as Non-Executive and Independent Director, she has also confirmed that she met with the eligibility criteria of independence.

b. Attendance of each Director at the Board Meetings and the last AGM:

S.No.	Name of the Directors	Attendance Particulars	
		No. of Board meetings attended	Last AGM attended (Yes/No)
1.	Mr. Vishal Rastogi	6	Yes
2.	Mr. Vijay Kumar Sharma	6	Yes
3.	Mrs. Tanu Agarwal	3	Yes
4.	Mr. Shailesh Kumar Singh	6	Yes

c. Number of other Board or Board Committees in which Directors are member or Chairperson as on 31st March, 2019.

S.No.	Name of the Directors	No. of other Directorships and Committee member or Chairmanship		
		Other Directorships*	Committee Memberships**	Committee Chairmanships**
1.	Vishal Rastogi	Nil	Nil	Nil
2.	Vijay Kumar Sharma	Nil	Nil	Nil
3.	Tanu Agarwal	Nil	Nil	Nil
4.	Shailesh Kumar Singh	Nil	Nil	Nil

* Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

**Includes only Audit Committee and Stakeholders' Relationship Committee.

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

During the year, Six Board Meetings were held on May 25, 2018, August 13, 2018, September 27, 2018, November 02, 2018, February 14, 2019 and March 15, 2019.

e. Disclosure of relationship between directors inter-se.

None of the Directors of the Company are related to each other.

f. During the year Number of shares and convertible instruments held by Non-Executive Directors.

Mr. Shailesh Kumar Singh, who was appointed on 14.11.2017 as Independent and Non-Executive Director, had intimated to the Company that he holds 25 number of equity shares of the Company.

Apart from him, none of the Non-Executive Directors holds any share or convertible instrument of the Company.

- g. During the year under review, the Independent Directors held one separate meeting on 14th February, 2019 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 persons. The Committee is also fulfilling the requirements of Section 177 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 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 Statutory 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.
- r. reviewing the utilization of the loans and/or advances from/investment by the holding Company in the subsidiary exceeding Rs. 100 Crore or 10% of the asset size of the subsidiary whichever is lower including existing loans/ advances/investments existing as on the date of coming into force of this provision.

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

The Composition of Audit Committee is in line with the provision of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the Financial year 2018-19, the composition of Audit Committee was changed due to resignation and re- appointment of Mr. Vijay Kumar Sharma in the capacity of Non-Executive and Non-Independent Director and also re- designation of Mrs. Tanu Agarwal as Non-Executive and Independent Director the board decided to re- constitute the Committee, which are as follows:

Composition before re-constitution	1. Mr. Shailesh Kumar Singh (Chairman) (Independent & Non-Executive Director) 2. Mr. Vijay Kumar Sharma (Independent & Non-Executive Director) 3. Mr. Vishal Rastogi (Managing Director)
Composition After Re-Constitution (w.e.f 15.03.2019)	1. Mr. Shailesh Kumar Singh (Chairman) (Independent & Non-Executive Director) 2. Mr. Vijay Kumar Sharma (Non-Executive & Non- Independent Director) 3. Mrs. Tanu Agarwal (Non Executive & Independent Director)*

*Appointment of Mrs. Tanu Agarwal in the capacity of Non Executive & Independent Director is subject to the approval of the shareholders in the ensuing AGM.

Mr. Shailesh Kumar Singh is presently the Chairman of the Committee. The Company Secretary and Compliance officer of the Company acts as the secretary to the Committee, the Chief financial officer of the Company and the statutory auditors are regular invitees to every meeting of the Audit Committee. The minutes of each Audit Committee meeting are placed and discussed in the Board.

iii. Meetings and attendance during the year:

During the year, the Committee met 5 times on May 25, 2018, August 13, 2018, November 02, 2018, February 14, 2019 and March 15, 2019.

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

Name of Committee Members	No. of Meetings held	No. of Meetings Attended
Mr. Shailesh Kumar Singh (Chairman)	5	5
Mr. Vijay Kumar Sharma	5	5
Mr. Vishal Rastogi*	5	4
Mrs. Tanu Agarwal**	5	1

*Upon reconstitution of the Committee w.e.f 15th March, 2019 Mr. Vishal Rastogi was no longer the member of the Audit Committee.

** Mrs. Tanu Agarwal was Inducted as a member of the Audit Committee, upon its reconstitution on 15.03.2019.

II. NOMINATION AND REMUNERATION COMMITTEE

The Company has a duly constituted Nomination and Remuneration Committee within the terms of Compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is responsible for identifying persons who are qualified to become Directors, KMPs, and other Senior Management and recommend their appointment before the Board of Directors. The said committee is entrusted with responsibilities as detailed in below mentioned terms of reference:

(i) Terms of reference:

The terms of reference for the Nomination and Remuneration Committee as 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, (if applied) 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 director's 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 2018-19, the composition of Nomination and Remuneration committee was changed due to resignation and fresh appointment of Mr. Vijay Kumar Sharma as Non-Executive and Non-Independent Director on 15th March, 2019:

Composition before resignation and re - appointment of Mr. Vijay Kumar Sharma as Non Executive and Non Independent Director and re-designation of Mrs. Tanu Agarwal as Non-Executive and Independent Director:

1. Mr. Vijay Kumar Sharma(Chairman), (Non-Executive Independent Director)
2. Mrs. Tanu Agarwal (Non-Executive and Non Independent Director)
3. Mr. Shailesh Kumar Singh(Non-Executive and Independent Director)

Composition after resignation and re - appointment of Mr. Vijay Kumar Sharma as Non Executive and Non Independent Director and re-designation of Mrs. Tanu Agarwal as Non-Executive and Independent Director:

1. Mr. Shailesh Kumar Singh (Chairman), (Non-Executive and Independent Director)
2. Mrs. Tanu Agarwal (Non-Executive and Independent Director)
3. Mr. Vijay Kumar Sharma (Non-Executive and Non-Independent Director)

(iii) Attendance during the year:

During the year, the Nomination and Remuneration Committee met four times on May 25, 2018, August13, 2018, November 02, 2018 and March 15, 2019.

Name of Committee Member	No. of meetings held	No. of meetings attended
Mr. Vijay Kumar Sharma (Chairman)	4	4
Mr. Shailesh Kumar Singh (Chairman w.e.f 15th March, 2019)	4	4
Mrs. Tanu Agarwal	4	2

(iv) Remuneration Policy:

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is duly framed, adopted and implemented. The same is annexed with the Director's Report. This can also be accessed at the Company's website with below link: http://www.srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Remuneration_Policy.pdf

v) Performance evaluation of Independent Director

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the performance evaluation of every Directors of the Company, has been duly carried out. The Board has adopted and implemented the criteria for performance evaluation of every Director, which focusses on various aspects of the functioning of members of Board and Committees, such as attendance at meeting, contribution, awareness towards Company's development etc. The result of aforesaid evaluation were discussed at the Nomination and Remuneration Committee in their meeting held on 28th May, 2019.

(vi) Details of remuneration paid to all the Directors

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

III. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Prime responsibility of the Stakeholders' Relationship Committee is to ensure that the grievances of security holders are resolved efficiently and effectively i.e. within the given time period.

(i) Name of Non-executive Director heading the Committee:

During the Financial Year 2018-19, the Composition of Stakeholder's Relationship Committee was changed due to resignation and appointment of Mr. Vijay Kumar Sharma in the Board of Directors of the Company, on 15th March, 2019. However, before aforesaid resignation the Committee was comprised with Mr. Vijay Kumar Sharma, (Non-Executive and Independent Director), Mr. Shailesh Kumar Singh (Non-Executive and Independent Director) and Mr. Vishal Rastogi (Managing Director). Mr. Vijay Kumar Sharma was the Chairman of the Committee.

The Committee was duly re-constituted on 15th March, 2019 with the following members;

1. Mr. Vijay Kumar Sharma, Chairman, (Non-Executive and Non-Independent Director)
2. Mr. Shailesh Kumar Singh, Member, (Non-Executive and Independent Director)
3. Mr. Vishal Rastogi, Member, (Managing Director)

In the previous Annual General Meeting of the Company held on 27th September, 2018, M/s MCS Share Transfer Agent 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.
- Review of measures taken for effective exercise of voting rights of shareholders
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend
- Warrants/Annual Reports/ Statutory Notices by the shareholders of the Company
- 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

During the financial year under review, Ms. Ruchi Singh was Company Secretary and compliance officer of the Company till the working hours of 26th July, 2018 and resigned thereafter. Afterwards Mr. Suvindra Kumar was appointed as Company Secretary and Compliance officer w.e.f 02nd November, 2018 till date.

(iv) Number of Shareholder Complaints received so far

The Company has Nil Complaints pending at the beginning of the year. During the year, the Company has received one complaint and resolved the same. There were Nil complaints pending as on March 31, 2019.

(v) Number of complaints not solved to the satisfaction of Shareholders: Nil

(vi) Number of Pending Complaints: NIL

3. ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING:

Details of Location and time, where last three AGMs/EGMs held;

Year	AGM/EGM	Location	Date	Time
2017-18	AGM	Federation of Indian Export Organisations, Niryat Bhawan, Rao Tula Ram Marg, New Delhi - 110057	27.09.2018	11:00A.M.
2016-17	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O, Fatehpur Beri, New Delhi- 110074	27.09.2017	11.30 A.M.
2015-16	AGM	Executive Club, Dolly Farms & Resorts, 439, Village Shahurpur, P.O, Fatehpur Beri, New Delhi- 110074	29.09.2016	11.30 A.M.

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
2017-18	27.09.2018	• Re- appointment of Mr. Vijay Kumar Sharma (DIN:03272034) as an Independent Director of the Company
2016-17	27.09.2017	• No special resolution was passed.
2015-16	29.09.2016	• No special resolution was passed.

Details of Resolutions passed through Postal Ballot:

Your Company has obtained approval through Postal Ballot by way of passing the special Resolution w.r.t the 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 ("SETPL") towards using the sale proceeds to settle partially the loan extended by Mr. Gagan Rastogi in favour of the wholly owned subsidiary.

The said approval was obtained on 21st April, 2019.

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%20for%20Determination%20of%20Materiality%20for%20Disclosure%20of%20Information.pdf>

The relevant provisions of Regulation 23 read with Regulation 15 of Listing Regulations, pertaining to the dealings with related party transactions is not applicable upon 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.

However the share trading of the company is kept at GSM Level-1 by the Stock Exchange, where the Company's equity shares are listed.

iii. The Company has in place a Vigil Mechanism/ Whistle Blower Policy, the details about the whistle blower policy w.r.t its adoption and implementation etc. are given in Board's Report. Further, the Company has ensured the direct access, for the personnel, to the audit committee, though no one has approached for the same. The said Policy is also available at the website of the Company with below link:

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

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. (1.69) Crore 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 "The Financial Express" and "Jansatta" in the prescribed Performa within maximum 48 hours of the conclusion of the meeting of the Board at which they are approved.
- The financial results/disclosure are also displayed on the website of the Company, i.e., <http://www.srmenergy.in/Home/FinancialResults>

6. GENERAL SHAREHOLDER INFORMATION:**i. Annual General Meeting (For financial year 2018-2019)**

Date and Time : Thursday, September 26, 2019 at 11.00 a.m.
Venue : Federation of Indian Export Organisations
Niryat Bhawan, Rao Tula Ram Marg,
OPP. Army Hospital Research and Referral, New Delhi 110 057.

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, 2019 On or before 14th August, 2019
- Quarter ending September, 2019 On or before 14th November, 2019
- Quarter ending December, 2019 On or before 14th February, 2020
- Quarter ending March, 2020 (audited) On or before 30th May, 2020.

Annual General Meeting September, 2020.

 iii. **Date of Book closure:** Friday 20th September, 2019 to Thursday 26th September, 2019 (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

Note: The Company has paid Rs. 3,54,000/- towards the Annual Listing Fee and as on date there are no arrears for the same.

 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 ₹)		SENSEX		Volume (No. of Shares)
	Month's High Price	Month's Low Price	Month's High	Month's Low	
May-18	4.28	4.07	35993.53	34302.89	21
July-18	4.07	3.90	37644.59	35106.57	301
Aug-18	4.09	3.90	38989.65	37128.99	3
Jan-19	3.90	3.90	36701.03	35375.51	500
March-19	4.00	3.80	38748.54	35926.94	1086

Note: Share price data for the month of, April, June, September, October, November and December, 2018 and February, 2019 are not available on the website of BSE w.r.t shares of the Company. The BSE Sensex Month's high and Low are being given for the corresponding months.

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

During the year of reporting the Registrar and transfer activity was being handled by MCS Share Transfer Agent Ltd. having its address at F-65, 1st floor, Okhla Industrial Area, Phase-I, New Delhi-110020, E-Mail: admin@mcsregistrars.com

 viii. **Share Transfer System:**

Shareholders' are requested to note, that the Securities and Exchange Board of India (SEBI) has amended the Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, vide Gazette notification dated 08.06.2018, the SEBI vide this amendment has mandated that the transfer of securities/shares will be carried out in dematerialized form only.

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.

 ix. a. **Distribution of shareholding as on March 31, 2019:**

Range	Shares	Percent Shares	Folios	Percent Holders/Folio
1-500	847462	9.3539	5157	91.7452
501-1000	233170	2.5736	268	4.7678
1001-2000	159705	1.7627	106	1.8858
2001-3000	79537	0.8779	31	0.5515
3001-4000	25450	0.2809	7	0.1245
4001-5000	55691	0.6147	12	0.2135
5001-10000	151550	1.6727	21	0.3736
10001-50000	298908	3.2992	13	0.2313
50001-100000	53925	0.5952	1	0.0178
100000 and Above	7154602	78.9691	5	0.0890
Total	9060000	100.00	5621	100.00

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

As at the end of year of reporting, i.e., as on 31.03.2019, the Distribution of shareholdings between NRI, Mutual Funds, Body Corporate and Resident Individuals are represented below:

Category	No. of Shares	% age
Non Resident Indians	30297	0.33
Mutual Funds/UTI	305495	3.37
Bodies Corporate	6695251	73.90
Resident Individuals	2028957	22.40
Total	9060000	100.00

x. Dematerialisation of shares and liquidity:

As at the end of March, 31 2019, 8017350 Shares (88.49% 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	7380148	81.46
CDSL	637202	7.03
PHYSICAL	1042650	11.51
Total	9060000	100.00

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

Investor Correspondence: (For transfer/dematerialisation of shares and any other query related to the shares of the Company)	MCS Share Transfer Agent Limited Address: F-65, 1 st Floor, Okhla Industrial Area, Phase I, New Delhi - 110020 Phone: 011-41406149/50/51 Fax: 011-41709881 E-Mail: admin@mcsregistrars.com For shares held in Dematerialised form To the depository participant
Any query on Annual Report	SRM Energy Limited Shares Department Address: 21, Basant Lok Complex, Vasant Vihar, New Delhi - 110057. Phone: 011- 41403205, 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 13th, 2019

(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

Date : 28.05.2019
Place : Delhi

(Raman Kumar Mallick)
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE 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, 2019, as stipulated under the provisions of the Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 Listing Regulations, the Company is exempted to comply with Corporate Governance provisions as specified in Regulations 17 to 27 and clause (b) to (i) of sub regulations (2) of Regulations 46 and para C, D and E of Schedule V of the Listing Regulations.

However, in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance, as stipulated under Listing Regulations, except with the requirements of paying the requisite listing fee in time.

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 : Delhi
Dated : 13.08.2019

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion Analysis ("MDA") comprises discussions on the overall performance of the Company, and various other aspects which has its effects, directly and/or indirectly on the business of the Company and its wholly owned subsidiary during the period of reporting, i.e., 2018-19. The discussion focuses on the financial aspects of the Company and the implications thereof and the overall risk involved in the business, during the year of reporting. Overall industry scenario at the global and domestic level and its impact on the business is also one aspect, which is discussed in this report.

1. FORWARD-LOOKING STATEMENT

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', 'envisages/ envisaged' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from any forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

The International Monetary Fund (IMF) has estimated that the gross domestic product is poised to grow by 7.5 % in the FY 2019-20 and 7.7% in FY 2020-21. The Central Electricity Authority (CEA) anticipate that due to driven by rising industrial demand in the Country the total demand in energy/ power shall grow at 5 to 6% between FY19-20, for the increased demand from newly connected houses. Also to meet the demand various reforms are undertaken by the Government of India, viz. the UDAY scheme, '24*7 Power for All' initiative and the 'Saubhagya' scheme. One of the concerns in the electricity generation and distribution, specially in UDAY scheme, is such that the discoms need to reduce their distribution losses, which need to modernise their network by fixing the infrastructure deficit. The attempts at bringing down the gap (losses) between the cost of power purchase and selling price of the state discoms has met with very little success despite ambitious programmes like UDAY.

This continues to be a limiting factor for emergence of the potential demand for cheap power. After initially recording gains due to interest savings, the lack of structural reforms is increasing the losses at the discoms with very few exceptions.

The power sector continues to suffer from large number of non-performing assets (NPAs) resulting in the Banking sector becoming more cautious in lending to the sector.

The Government focus has now shifted towards developing the renewable energy segment keeping in mind the present impact of the thermal power on the climate change and also the long sustainability and cost-effectiveness of the same.

2.1. GENERATION

The total installed generation capacity as on 31st May, 2019 as per the Central Electricity Authority are 357.875 GW which comprises the 86.597 GW, bearing 24.20% from

the state sector, 105.077 GW, bearing 29.40% from the Central sector and 166.202 GW bearing 46.40% from the Private Sector.

The growth in the generation of electricity in the country has been 3.57% in the financial year 2018-19 with a total generation of electricity of 1249.337 Billion Units (BU). The electricity generation target of conventional sources for the year 2018-19 was fixed at 1265 BU, comprising approx. 1091 BU of thermal, 130 BU of hydro and 38.5 BU of nuclear. The actual generation (convention) of electricity during the FY 2017-18 was 1206.306 Bu, representing the aforesaid growth of 3.57%.

2.2. Fuel

The Coal India Limited (CIL) and its subsidiaries has produced the coal above to 600 MT in FY19 against 567 MT in FY18, the growth registered in the production is near to 7% during the year.

India's coal import increased by 8.80% to 233.56 MT in 2018-19, from 214.61 MT in 2017-18, however the same is supported by declining international coal prices during second half of 2018.

The global coal prices fell from a high of about USD 120/ MT (Newcastle FOB) in July 2018 to around USD 93/MT in March 2019.

2.3 Transmission

An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. The nominal Extra High Voltage lines in vogue are ± 800 kV HVDC & 765 kV, 400 kV, 230/220 kV, 110 kV and 66 kV AC lines.

Total transmission lines capacity increased to nearly 4.13 lakh Ckms, reflecting an increase of about 22,437 Ckms over FY18. The transmission substation capacity reached 8.99 lakh MVA by March 2019 reflecting an increase of 72,705 MVA over FY18. With changing generation mix on account of increased renewables, the government is emphasizing on augmentation of transmission infrastructure to support demand growth.

2.4. Distribution

Distribution of power is the most important link in the entire power sector value chain. This is an 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 sector.

The Distribution continues to be the weakest link in the power supply chain on account of the financial stress of electricity utilities. However, The power ministry has emphasized to reduce the distribution losses to 15% and ensuring 24x7 power to all by 2019.

3. OPPORTUNITIES AND OUTLOOK

The Indian market continues to remain the primary focus of business for your Company. As mentioned earlier, the Company has plans to grow in the areas of renewable generation, distribution and new and service-led businesses.

3. OPERATIONAL PERFORMANCE

The Company had plan to set up a power project at Tamilnadu with a capacity of 3X660 MW i.e. 1980 MW. The said plan was proposed to be set up through the Wholly Owned Subsidiary SRM Energy Tamilnadu Pvt. Ltd. Your Company has no other operation at present and the related expenses incurred during the current period are considered as pre-operative expenses pending allocation to the power project.

As informed earlier that the project, which the Company has intended to initiate, did not took off till date. The reasons thereof were many, the Company has been apprising you with the situation regularly in its Directors Report. Such situation has led the Company, where its Net worth has been significantly reduced and it has been incurring cash losses.

4. PROJECT AT CUDDALORE

We have been informing you on regular basis that the project at cuddalore could not take off due to various reasons, which inter-alia include the below:

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

At the initial stage of the project implementation, the Company had acquired approx. 215 acres of land, out of the total requirements of approx. 1,000 acres, however at the initial stage due to the paucity of funds, resulting from the Company not being able to proceed with the Proposed Rights issue, due to reasons beyond its control, had considerably slowed down the progress of the project. Considering the prevailing power industry scenario in the country the prospective investors had deferred their decisions on investments, which had compounded the problems.

5. HUMAN RESOURCES

The Company is working with the limited necessary staff as the project of the Company has not become operational. During the year, the Company continued to witness healthy and cordial relationship with the employees of the Company. As on 31 March, 2019, the Company had only 4 employees. The employees includes two key managerial personnel i.e. one Company Secretary (CS) and one Chief Financial Officer (CFO). During the year under review there was a change in the Key Managerial Personnel of the Company, Mr. Bhupendra Sharma, had resigned with the end of the working hours of 30.09.2018 and Mr. Raman Kumar Mallick was appointed at his place on 02nd November, 2018. Also Ms. Ruchi Singh had resigned from the office of Company Secretary and Compliance Officer from the end of closure of working hours on 26th July, 2018. Mr Suvindra Kumar was appointed as Company Secretary & Compliance Officer w.e.f 2nd November, 2018.

The Company's specified employees remuneration structure is govern by a proper remuneration policy relating to the 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 Requirement) Regulations, 2015. The said remuneration policy was last reviewed and updated on 15th March, 2019.

6. INTERNAL CONTROL SYSTEMS

The Company has adequately laid down policies, guidelines and procedures of Internal Control System, which is being monitored by the audit committee of the Board. Such Internal control system, are made according to the nature and size of the business of business operation and another related activities of the Company. The audit Committee ensures that the necessary compliance of the law, reporting system under the statute are adhered to and performed. All transactions are recorded and reported in accordance with the applicable Accounting Standards and within the terms of accounting policies.

The Company has also ensured the periodical Internal Audit by an independent auditor, whose report is submitted to the Audit Committee and Board of Directors for consideration on quarterly basis. During the Audit Process, no material discrepancies have been reported by the Internal Auditor.

7. RISKS AND CONCERNS

The key risks and concerns facing the power sector in India are as follows:

- The poor financial health of state discoms continues to be a factor that impedes the growth of the sector. This is a major concern area for investors in the sector leading to higher return expectations, which in turn, will result in higher tariffs.
- The availability of cost-effective capital for funding of new projects is a cause of concern given banks' current exposure to power sector and stranded assets, which may result in NPAs.
- The large number of stranded and under-utilized thermal assets adds to the already overburdened discoms by way of fixed costs. Climate change related norms are likely to increase this burden, slowing down the pace of growth in demand.
- Though renewables are welcome from an environment perspective, a rapid expansion could be at the cost of thermal capacity utilization, thus adding net fixed costs to the system which is already overstretched. This could slow down the renewables sector.
- Infrastructure constraints such as domestic coal output, bottlenecks in rail logistics and port capacity may affect the transportation of coal.
- Shortage of domestic gas and expensive LNG imports affects the financial viability of gas-based power plants.
- Cyber Security risk which is affecting various industries globally.

INDEPENDENT AUDITOR'S REPORT

To The Members of SRM Energy Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **SRM Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statement including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of state of affairs of the Company as at March 2019 and loss, Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Attention of the matters is invited to note no.28 of the notes to accounts regarding the financial statements of the Company having been prepared on a Going Concern basis, the Company's net worth 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 Company. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Information Other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be

expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 18 on Contingent Liabilities;
 - (ii) 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; and
 - (iii) 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

Suresh Arora
Partner(M/N: 90862)
Place: New Delhi
Dated: 28/05/2019

TO THE INDEPENDENT AUDITORS' REPORT

ANNEXURE "A"

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SRM ENERGY LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance or adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation or reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment or the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Suresh Arora
Partner(M/N: 90862)

Place: New Delhi
Dated: 28/05/2019

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ANNEXURE "B"

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, 2019

- (i) 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;
- (ii) 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;
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) (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, 2019 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 Company 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	0.02	AY 2008-09 to 2014-15	CIT (Appeals)
Income Tax Act 1961	Income Tax Due u/s 143(3)	5.943	AY 2008-09 & AY 2013-14	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: 28/05/2019

BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in million)

	Note No.	As at 31.03.2019	As at 31.03.2018
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress	4	-	-
(c) Investment Property		-	-
(d) Goodwill on consolidation		-	-
(e) Goodwill		-	-
(f) Other Intangible assets		-	-
(g) Intangible assets under development		-	-
(h) Biological Assets other than bearer plants		-	-
(i) Financial Assets			
(i) Investments	5	13.20	13.20
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others (to be specified)		-	-
(j) Deferred tax assets (net)		-	-
(k) Other non-current assets		-	-
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	6	0.03	0.03
(iv) Bank balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	7	0.13	0.05
Total Assets		13.36	13.28
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8	90.60	90.60
(b) Other Equity	9	(107.50)	(103.39)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions	10	0.01	0.01
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	28.77	24.97
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (c))		-	-
(b) Other current liabilities	12	1.48	1.09
(c) Provisions	10	-	-
(d) Current Tax Liabilities (Net)		-	-
Total Equity and Liabilities		13.36	13.28

Accompanying notes forming part of the consolidated financial statements

1 to 33

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in million)

Particulars	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
I Revenue From Operations			
Other Income	13	-	-
Total Revenue (I)		-	-
II EXPENSES			
Cost of Material consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, stock in trade work in progress		-	-
Employee benefits expense	14	2.13	3.17
Finance costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	15	1.98	1.11
Total expenses (II)		4.11	4.28
III Profit before exceptional items and tax (I-II)		(4.11)	(4.28)
IV Exceptional Items		-	-
V Profit/(loss) before tax (III-IV)		(4.11)	(4.28)
VI Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit (Loss) for the period from continuing operations (V-VI)		(4.11)	(4.28)
VIII Profit/(loss) from discontinued operations		-	-
IX Tax expense of discontinued operations		-	-
X Profit/(loss) from Discontinued operations (after tax) (VIII-IX)		-	-
XI Profit/(loss) for the period (VII+ X)		(4.11)	(4.28)
XII Other Comprehensive Income		-	-
A Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
Net movement on cash flow hedges		-	-
Income tax effect		-	-
Net (loss)/gain on FVTOCI financial instruments		-	-
Income tax effect		-	-
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect		-	-
Revaluation of property, plant and equipment		-	-
Income tax effect		-	-
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(4.11)	(4.28)
XIV Earnings per equity share (for continuing operation):		24	
(1) Basic		(0.45)	(0.47)
(2) Diluted		(0.45)	(0.47)
XV Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVI Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		(0.45)	(0.47)
(2) Diluted		(0.45)	(0.47)

Accompanying notes forming part of the consolidated financial statements

1 to 33

In terms of our report attached
 For **VATSS & Associates**
 Chartered Accountants
 ICAI Firm Registration No. 017573N

Suresh Arora
 Partner
 M. No. 090862
 Place : New Delhi
 Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
 Managing Director
 DIN:02780975

Shailesh Kumar Singh
 Director
 DIN:07688944

Suvindra Kumar
 Company Secretary

Raman Kumar Mallick
 Chief Financial Officer

SRM ENERGY LIMITED

Statement of Change in Equity for the year ended 31st Mar-2019

(Amount in Rupees, except for share data and if otherwise stated)

(a) Equity Share Capital	(₹ in million)
Balance as at April 01, 2018	90.60
Change in equity share capital during the year	-
Balance as at March 31, 2019	90.60

(b) Other Equity	Reserve and Surplus				
	Capital reserve	General reserve	Retained earnings	Foreign currency translation reserve	Total
Balance as at March 31, 2018	-	-	(103.39)	-	(103.39)
Profit/(Loss) for the year	-	-	(4.11)	-	(4.11)
Other Comprehensive income for the year, net of income tax	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Payment of Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance as at March 31, 2019	-	-	(107.50)	-	(107.50)

Accompanying notes forming part of the consolidated financial statements

1 to 33

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in million)

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(4.11)	(4.28)
ADJUSTMENTS FOR		
Interest and Finance Expenses	-	-
Interest Income	-	-
Pre-operative expenses written off	-	-
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(4.11)	(4.28)
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	0.39	0.51
Increase/(Decrease) in Current Provisions	-	(1.25)
Increase/(Decrease) in Non-Current Provisions	-	(0.73)
Decrease/(Increase) in Current Loans and Advances	(0.08)	(0.04)
Decrease/(Increase) in Non-Current Loans and Advances	-	-
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	(3.80)	(5.79)
NET CASH USED IN OPERATING ACTIVITIES (A)	(3.80)	(5.79)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment including CWIP and Capital Advances	-	-
NET CASH USED IN INVESTING ACTIVITIES (B)	-	-
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Current Borrowings (Net)	3.80	5.78
Interest and Finance Charges Paid	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	3.80	5.78
(D) NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(0.00)	(0.01)
(E) CASH & CASH EQUIVALENTS - OPENING BALANCE	0.03	0.04
(F) CASH & CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 11)	0.03	0.03

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2019**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 ("the 1956 Act"). The company equity shares are listed on Bombay Stock Exchange (BSE). The Company has been engaged in setting up Thermal power project in its wholly owned subsidiary. The registered office of the company is situated at 206, Suneja Tower-II, Janakpuri Distt. Centre, New Delhi-110058. The company parent and ultimate holding Company is Spice Energy Pvt. Ltd.

2. Significant Accounting Policies**2.1 Statement of Compliance**

The financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair values, the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prepared under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months.

2.3 Property, plant and equipment [PPE]

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

Cost of acquisition or construction is inclusive of freight, duties, relevant taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

2.4 Capital Work in Progress:

Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

2.5 Depreciation

Depreciation has been provided following Written Down Value Method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, unless stated otherwise.

2.6 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.

2.7 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they occur.

2.8 Leasing

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.9 Foreign Currencies

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.

2.10 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.

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

2.11 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.

2.12 Provisions and Contingent Liabilities

Provisions

The company recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may,

but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.13 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.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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 Capital work in Progress

During the year, the Company has not incurred any expenses related to project.

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
Opening Balance- Pre- Operative expenses	-	-
Less: Transferred as per Scheme of Arrangement	-	-
Less: Written off during the year	-	-
Add: Expenditure incurred during the current year	-	-
Closing Balance	-	-

5 Non-current Investments

Trade Investments (valued at cost unless stated otherwise)

-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

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
	13.20	13.20
	<u>13.20</u>	<u>13.20</u>

6 Cash and Cash Equivalents

Balances with Banks in Current Account
Cash in Hand

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
	0.02	0.02
	0.01	0.01
	<u>0.03</u>	<u>0.03</u>

7 Other Current Assets

Unsecured Considered good

Advances recoverable in cash or in kind
Balance with Revenue Authorities

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
	0.01	0.01
	0.12	0.04
	<u>0.13</u>	<u>0.05</u>

8 Equity Share Capital

Authorised Shares

Equity Shares of ₹10/- each

As at 31.03.2019		As at 31.03.2018	
No. million	₹ million	No. million	₹ million
11.30	113.00	11.30	113.00
<u>11.30</u>	<u>113.00</u>	<u>11.30</u>	<u>113.00</u>

The shareholders of the Company have given their approval for increase of Authorised Capital to ₹ 150 million pursuant a resolution passed on August 13, 2010 through postal ballot. The process with Registrar of Companies is underway to increase the same.

Issued, subscribed and paid up

Equity Shares of ₹10/- each fully paid up

9.06	90.60	9.06	90.60
<u>9.06</u>	<u>90.60</u>	<u>9.06</u>	<u>90.60</u>

8.1 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

8.2 6.45 million (Previous year 6.45 million) Equity Shares are held by the Holding Company - Spice Energy Pvt. Ltd.

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

	As at 31.03.2019		As at 31.03.2018	
	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%

8.4 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. 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.

9 Other Equity
Surplus/(Deficit) in the Statement of Profit and Loss

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
Balance as per last financial statements	(103.39)	(99.11)
Loss for the Current year	(4.11)	(4.28)
Balance at the end of the year	(107.50)	(103.39)

10 Provisions

	Non-Current		Current	
	As at 31.03.2019 ₹ million	As at 31.03.2018 ₹ million	As at 31.03.2019 ₹ million	As at 31.03.2018 ₹ million
Provision for employee benefit				
Provision for Gratuity (Unfunded)	0.01	0.01	-	-
Provision for Expenses	-	-	-	-
Other Liabilities	-	-	-	-
	0.01	0.01	0.00	0.00

11 Short-term Borrowings
Unsecured & repayable on demand)
Loan from Related party (Refer Note 23)

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
- Spice Energy Private Limited	28.77	24.15
- SRM Energy Tamilnadu Pvt. Ltd.	0.00	0.82
	28.77	24.97

12 Other Current Liabilities

	As at 31.03.2019	As at 31.03.2018
Sundry Creditors for Expenses	0.33	0.14
Provision for Expenses	1.12	0.93
Other Liabilities	0.02	0.02
	1.48	1.09

21 DISCLOSURE OF "EMPLOYEE BENEFITS" are as follows:

Particulars	2018-19	2017-18			
Defined Benefits Plans					
Gratuity					
Actuarial Assumptions	2018-19	2017-18			
Discount Rate (Per Annum)	7.79%	7.87%			
Rate of increase in compensation levels (Per Annum)	5%	5%			
Expected average remaining lives of the employees (in no of years)	15	19			
Attrition Rate	2%	2%			
	₹ million	₹ million			
	2018-19	2017-18			
I Change in Present Value of Obligation					
Present value of defined benefits obligation as at the beginning of the year	0.01	0.01			
Interest Cost	-	-			
Current Service Cost	0.00	0.18			
Benefits Paid	-	0.92			
Actuarial (Gain) / loss on obligation	-	-			
Present value of defined benefits obligation as at the end of the year	0.01	(0.73)			
II Amount recognised in the Balance Sheet					
Liability at the end of the year	0.01	0.01			
Fair Value of Plan Assets at the end of the year	-	-			
Amount recognised in the Balance Sheet	0.01	0.01			
III Expenses recognised in the Statement of Profit & Loss					
Current Service Cost	0.00	0.18			
Past Service Cost	-	-			
Interest Cost	0.00	0.00			
Expected Return on Plan Assets	-	-			
Net Actuarial (Gain)/Loss Recognised in the year	-	-			
Total expenses recognised in the Statement of Profit & Loss	0.00	0.18			
IV Balance Sheet Reconciliation					
Liability at the beginning of the year	0.01	0.76			
Expenses as above	(0.00)	0.18			
Benefits Paid	-	0.92			
Amount recognised in the Balance Sheet	0.01	0.01			
V Disclosures as required under Para 120(n):					
Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Present value of defined benefit obligation	0.01	0.01	0.76	0.01	0.33
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.01)	(0.01)	(0.76)	(0.01)	(0.33)
Experience adjustment on liability {loss/(gain)}	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

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.

22 Segment Reporting :

The Company is in the process of setting up Thermal power project in its wholly owned subsidiary, which at present, constitutes its single operating segment. Therefore, there is no disclosure as per Ind AS-108 on 'Segment Reporting'.

23 Related Party Transactions as per Ind AS 24 :
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
Mr. Bhupendra Sharma	Chief Financial Officer (Resigned on 30/09/2018)
Ms Ruchi Singh	Company Secretary (Resigned on 26/07/2018)
Mr. Raman Kumar Mallick	Chief Financial Officer (Appointed on 02/11/2018)
Mr. Suvintra Kumar	Company Secretary (Appointed on 02/11/2018)

4) Relatives of Key Management Personnel

Mr. Gagan Rastogi	(Relative of Mr.Vishal Rastogi)
Mr. Deep Kumar Rastogi	(Relative of Mr.Vishal Rastogi)

B. Transactions with Related Parties

Particulars	Holding Company		Subsidiary	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Investment in Wholly owned subsidiary as per Scheme of Arrangement	-	-	-	-
Loan Given	-	-	-	-
Payment received against Loan Given	-	-	-	-
Loan Taken *	4.62	5.95	-	0.10
Loans repaid *	-	0.27	0.82	-
Interest Income	-	-	-	-
Expenses incurred on our behalf	-	-	-	-
Closing Balance:				
Investment in Wholly owned subsidiary	-	-	13.20	13.20
Creditors for expenses	-	-	-	-
Loan Payable	28.77	24.15	-	0.82

24 Earnings Per Share (EPS):

Particulars	As at 31.03.2019 ₹ in million	As at 31.03.2018 ₹ in million
Net Loss as per Statement of Profit and Loss (in ₹)	(4.11)	(4.28)
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 ₹)	(0.45)	(0.47)

25 Deferred Tax:

Deferred tax asset has not been recognized considering the principle of virtual certainty as per Ind AS 12 'Income Taxes'.

26 Disclosure in respect of Operating Leases:

- (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:

₹ in million

Particulars	Lease Rental Debited to Statement of Profit and Loss (Cancellable and Non cancellable)	Future Minimum Lease Rentals		
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years
Office Premises	-	0.00	0	0

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

- 27** 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.

28 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.

29 INFORMATION PERTAINING TO LOANS AND GUARANTEES GIVEN TO SUBSIDIARIES (INFORMATION PURSUANT TO CLAUSE 32 OF LISTING AGREEMENTS WITH STOCK EXCHANGES AND SECTION 186 OF THE COMPANIES ACT, 2013):

(₹ 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.	-	-	-	-	-	-

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 The Income Tax Department has issued an order for the A.Y.2008-09 disallowing Rs.51.12 lacs w.r.t sales tax liabilities covered under the sales tax deferral scheme and for the A.Y.2013-14 disallowed Rs.8.31 lacs for the assessment u/s 143(3).The Company has filed appeals before CIT(A) in both the above matter.Also,demand raised by the Income Tax office Rs.0.60 lacs for the AY 2003-04,Rs.45.88 lacs for the AY 2007-08 and Rs.3.81 lacs for the AY 2009-10.In response of these demands of Rs.50.29 lacs. A suitable reply along with challan have been submitted by the Company to the Income Tax Department.

32 The Company has 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 ("SETPL") towards using the sale proceeds to settle partially the loan extended by Mr. Gagan Rastogi in favour of the wholly owned subsidiary.

Pursuant to the aforesaid approval, the subsidiary Company shall initiate to negotiate with the prospective buyer/s or investor/s and after due negotiation and under intimation to our Board, the sale process shall be initiated.

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

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To The Members of SRM Energy Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **SRM Energy Limited** (hereinafter referred to as "the Holding Company") and its subsidiary SRM ENERGY TAMILNADU PRIVATE LIMITED (the Holding Company and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 of state of affairs of the Company as at March 2019 and loss, Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Attention of the matters is invited to note no.25 of the notes to accounts regarding the consolidated financial statements of the Group having been prepared on a Going Concern basis, the Group's net worth 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 to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Information Other than the financial statements and auditors' report thereon

The Holding Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134 (5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Holding Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rule, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's and its subsidiary company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated Ind AS financial statement disclose the impact of pending litigations on the consolidated financial position of the Group-Refer Note 17 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; and
 - (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: 28/05/2019

TO THE INDEPENDENT AUDITORS' REPORT

ANNEXURE "A"

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting 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") as of March 31, 2019 in conjunction with our audit of the financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance or adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment or the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Suresh Arora
Partner(M/N: 90862)

Place: New Delhi
Dated: 28/05/2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2019

(₹ in million)

	Note No.	As at 31.03.2019	As at 31.03.2018
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	114.17	114.12
(b) Capital work-in-progress	4	308.14	307.48
(c) Investment Property		-	-
(d) Goodwill on consolidation		-	-
(e) Goodwill	5	-	30.00
(f) Other Intangible assets		-	-
(g) Intangible assets under development		-	-
(h) Biological Assets other than bearer plants		-	-
(i) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Others (to be specified)		-	-
(j) Deferred tax assets (net)		-	-
(k) Other non-current assets	6	6.01	6.01
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	7	0.11	0.10
(iv) Bank balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	6	0.21	0.13
Total Assets		428.64	457.84
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	8	90.60	90.60
(b) Other Equity	9	(138.55)	(104.44)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions	10	0.01	0.01
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities		-	-
(i) Borrowings	11	474.81	470.39
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (c))		-	-
(b) Other current liabilities	12	0.40	0.33
(c) Provisions	10	1.37	0.95
(d) Current Tax Liabilities (Net)		-	-
Total Equity and Liabilities		428.64	457.84

Accompanying notes forming part of the consolidated financial statements

1 to 35

 In terms of our report attached
 For **VATSS & Associates**
 Chartered Accountants
 ICAI Firm Registration No. 017573N

Suresh Arora
 Partner
 M. No. 090862
 Place : New Delhi
 Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
 Managing Director
 DIN:02780975

Shailesh Kumar Singh
 Director
 DIN:07688944

Suvindra Kumar
 Company Secretary

Raman Kumar Mallick
 Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR-2019 (₹ in million)

Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
I Revenue From Operations			
Other Income	13	-	-
Total Revenue (I)		-	-
II EXPENSES			
Cost of Material consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, stock in trade work in progress		-	-
Employee benefits expense	14	2.13	3.17
Finance costs		-	-
Depreciation and amortization expenses		-	-
Impairment Loss		30.00	-
Other expenses	15	1.98	1.11
Total expenses (II)		34.11	4.28
III Profit before exceptional items and tax (I-II)		(34.11)	(4.28)
IV Exceptional Items		-	-
V Profit/(loss) before tax (III-IV)		(34.11)	(4.28)
VI Tax expense:		-	-
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit (Loss) for the period from continuing operations (V-VI)		(34.11)	(4.28)
VIII Profit/(loss) from discontinued operations		-	-
IX Tax expense of discontinued operations		-	-
X Profit/(loss) from Discontinued operations (after tax) (VIII-IX)		-	-
XI Profit/(loss) for the period (VII+ X)		(34.11)	(4.28)
XII Other Comprehensive Income		-	-
A Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
Net movement on cash flow hedges		-	-
Income tax effect		-	-
Net (loss)/gain on FVTOCI financial instruments		-	-
Income tax effect		-	-
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect		-	-
Revaluation of property, plant and equipment		-	-
Income tax effect		-	-
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(34.11)	(4.28)
XIV Earnings per equity share (for continuing operation):	22		
(1) Basic		(3.77)	(0.47)
(2) Diluted		(3.77)	(0.47)
XV Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVI Earnings per equity share (for discontinued & continuing operations)	22		
(1) Basic		(3.77)	(0.47)
(2) Diluted		(3.77)	(0.47)

Accompanying notes forming part of the consolidated financial statements

1 to 35

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

SRM ENERGY LIMITED
Consolidated Statement of Change in Equity for the year ended 31st Mar-2019

(Amount in Rupees, except for share data and if otherwise stated)

(a) Equity Share Capital	(₹ in million)
Balance as at April 01, 2018	90.60
Change in equity share capital during the year	-
Balance as at March 31, 2019	90.60

(b) Other Equity					
	Reserve and Surplus				
	Capital reserve	General reserve	Retained earnings	Foreign currency translation reserve	Total
Balance as at March 31, 2018	-	-	(104.44)	-	(104.44)
Profit/(Loss) for the year	-	-	(34.11)	-	(34.11)
Other Comprehensive income for the year, net of income tax	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Payment of Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance as at March 31, 2019	-	-	(138.55)	-	(138.55)

**Accompanying notes forming part of the
consolidated financial statements**
1 to 35

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in million)

Particulars	For the Year Ended 31.03.2019	For the Year Ended 31.03.2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(34.11)	(4.28)
ADJUSTMENTS FOR		
Interest Income	-	-
Pre-operative expenses written off	-	-
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(34.11)	(4.28)
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	0.07	(0.92)
Increase/(Decrease) in Current Provisions	0.42	(0.37)
Increase/(Decrease) in Non-Current Provisions	-	(0.81)
Decrease/(Increase) in other Current Assets	(0.08)	0.35
Decrease/(Increase) in Non-Current Loans and Advances	-	-
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	(33.70)	(6.03)
Interest on income tax refund/TDS written off recovered	-	-
NET CASH USED IN OPERATING ACTIVITIES (A)	(33.70)	(6.03)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sale) of Property, Plant and Equipment including CWIP	(0.71)	(0.95)
Purchase of Current Investments	-	-
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)	(0.71)	(0.95)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from Current Borrowings (Net)	4.42	6.81
Interest on income tax refund/TDS written off recovered	-	-
NET CASH FROM FINANCING ACTIVITIES (C)	4.42	6.81
(D) NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(29.99)	(0.17)
(E) CASH & CASH EQUIVALENTS - OPENING BALANCE	0.10	0.27
(F) CASH & CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 11)	(29.89)	0.10

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

1. Corporate Information

SRM Energy Limited ("the Group") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the 1956 Act"). The group's equity shares are listed on Bombay Stock Exchange (BSE). The Company has been engaged in setting up Thermal power project in its wholly owned subsidiary. The registered office of the group situated at 206, Suneja Tower-II, Janakpuri Distt. Centre, New Delhi-110058. The group's parent and ultimate holding Company is Spice Energy Pvt. Ltd.

2. Significant Accounting Policies

2.1 Statement of Compliance

These consolidated financial Statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments that are measured at fair values, the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prepared under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

2.2 Basis of preparation and consolidation

The consolidated financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below.

Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are set out below.

All assets and liabilities have been classified as current or non-current according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months.

The consolidated financial statements incorporate the financial statements of the holding company and its subsidiaries. Control is achieved when the group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

All intra group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

2.3 Property, plant and equipment [PPE]

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2016.

Cost of acquisition or construction is inclusive of freight, duties, relevant taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

2.4 Capital Work in Progress:

Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

2.5 Depreciation

Depreciation has been provided following Written Down Value 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 SRM Energy Tamilnadu Pvt. Ltd. under the Scheme of Arrangement approved by the Hon'ble Bombay High Court vide their order dated 03/09/2013. Goodwill has been fully amortised. 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

Freehold land is not depreciated.

Depreciation is calculated on a pro rata basis except that, assets costing upto ₹ 5,000 each are fully depreciated in the year of purchase.

An item of property, plant and equipment or any significant part initially recognised of such item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2.7 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.

2.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Interest income earned on temporary investment of specific borrowing pending expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are expensed in the period in which they occur.

2.9 Leasing

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the group is classified as a finance lease. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The

arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

2.10 Foreign Currencies

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.

2.11 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.

During Current financial year, Provision for leave encashment is accounted on year to year basis and considered as short term employee benefits and are recognised as an expense at undiscounted amount in the profit and loss account for the year in which the related services are rendered.

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

2.12 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.

2.13 Provisions and Contingent Liabilities

Provisions

The group recognised a provision when there is a present obligation (legal or constructive) as a result of past events and it is more likely than not that an outflow of resources would be required to settle the obligation and a reliable estimate can be made. When the group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a

separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.14 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.

2.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3 Property, Plant and Equipment

Particulars	Land	Computer	Total	Previous year
Gross Block				
As at 01.04.2018	114.12	0.55	114.67	115.41
Additions during the year	0.04	-	0.04	-
Sales/(discarded) during the year	-	-	-	-
As at 31.03.2019	114.16	0.55	114.71	115.41
Depreciation				
As at 01.04.2018	-	0.54	0.54	1.25
Add: Transferred as per the said Scheme	-	-	-	-
Provided during the year	-	-	-	0.03
Adjusted for Last Financial Year	-	-	-	-
On Sale/adjustment	-	-	-	-
As at 31.03.2019	-	0.54	0.54	1.28
Impairment Loss				
As at 01.04.2018	-	-	-	-
Charge for the year	-	-	-	-
As at 31.03.2019	-	-	-	-
Net Block				
As at 01.04.2018	114.12	0.00	114.12	114.12
As at 31.03.2019	114.16	0.00	114.17	-

Depreciation and Amortisation for the year	-	0.03
Less: Transferred to Preoperative expenses pending allocation	-	(0.03)
Depreciation & Amortisation as per Profit and Loss Account	-	-

As on	As on
31.03.2019	31.03.2018
₹ million	₹ million

Transitional Depreciation (Refer Note 2.7)	-	-
Less: Transferred to Preoperative expenses pending allocation	-	-
Depreciation & Amortization as per Profit and Loss Account	-	-

4 Capital work in Progress

The Company Subsidiary (SRM Energy Tamilnadu Private Limited) 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:

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
Opening Balance	307.48	306.49
Less: Written off during the year	-	-
Add: Expenditure incurred during the current year		
Salaries and Perquisites	0.00	0.08
Staff Welfare Expenses	0.00	0.00
Legal & Professional Fees	0.55	0.55
Travelling & Conveyance Expenses	0.04	0.05
Telephone / Internet Expenses	0.00	0.01
Auditors' Remuneration	0.06	0.05
Advertisement	0.00	-
Demerger Exp	0.00	-
Rates and Taxes	0.00	-
Rent and Compensation	0.00	0.10
Vehicle Running Expenses	0.00	-
Repairs and Maintenance	0.00	-
Electricity Expenses	0.00	0.00
Printing & Stationery	0.00	0.02
Courier/Postage	0.00	0.01
Advances written off	0.00	-
Miscellaneous Expenses	0.00	0.09
Loss/Discard in Sale of Assets	0.00	-
Interest and Bank Charges	0.01	0.00
Depreciation & Amortization	0.00	0.03
Depreciation for the last financial year	0.00	-
Total	0.66	0.99

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
Less : Interest Income on Deposit with Bank	-	-
Less : Profit on sale of assets	-	-
Less : Dividend from Investment in Mutual Funds	-	-
Less : Exchange Rate Difference Gain (net)	-	-
Less: Other Income	-	-
Balance		
Add: Fringe Benefit Tax	0.66	0.99
Net Expenses for the year		
Closing Balance	<u>308.14</u>	<u>307.48</u>

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
5 Goodwill(*)		
Gross Block		
As at 01.04.2018	30.00	30.00
Additions during the year	-	-
As at 31.03.2019	30.00	30.00
Less:Provision for Impairment for Loss		
As at 01.04.2018	-	-
Charge for the year	30.00	-
As at 31.03.2019	30.00	-
Net Block		
As at 01.04.2018	30.00	30.00
As at 01.04.2019	-	30.00

(*) Provision for an Impairment loss Rs.30 million against Goodwill shall be recognised in the books of accounts as per Ind AS-36.

	Non-Current		Current	
	As at 31.03.2019 ₹ million	As at 31.03.2018 ₹ million	As at 31.03.2019 ₹ million	As at 31.03.2018 ₹ million
6 Other Assets				
6.1 Capital Advances				
Secured Considered good	-	-	-	-
Unsecured Considered good	6.01	6.01	-	-
	6.01	6.01	-	-
6.2 Security Deposit				
Secured Considered good	-	-	-	-
Unsecured Considered good	-	-	0.01	0.01
	-	-	0.01	0.01
6.3 Other Loans & Advances				
Unsecured Considered goods				
Loans and advances to Employees	-	-	-	-
Advance recoverable in cash or in kind	-	-	0.20	0.12
	-	-	0.20	0.12
Total (a+b+c)	6.01	6.01	0.21	0.13

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
7 Cash and Cash Equivalents		
Cash in Hand	0.02	0.02
Balances with Banks in Current Account	0.09	0.08
	<u>0.11</u>	<u>0.10</u>

8 Equity Share Capital

	As at 31.03.2019		As at 31.03.2018	
	No. million	₹ million	No. million	₹ million
Authorised Shares				
Equity Shares of ₹10/- each	11.30	113.00	11.30	113.00
	11.30	113.00	11.30	113.00
Issued, subscribed and paid up				
Equity Shares of ₹10/- each fully paid up	9.06	90.60	9.06	90.60
	9.06	90.60	9.06	90.60

8.1 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

8.2 6.45 million (Previous year 6.45 million) Equity Shares are held by the Holding Company - Spice Energy Pvt. Ltd.

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

	As at 31.03.2019		As at 31.03.2018	
	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%

8.4 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. 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.

9 Other Equity

Surplus/(Deficit) in the Statement of Profit and Loss

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
Balance as per last financial statements	(104.44)	(100.17)
Loss for the Current year	(34.11)	(4.28)
Balance at the end of the year	(138.55)	(104.44)

10 Provisions

	Non-Current		Current	
	As at 31.03.2019 ₹ million	As at 31.03.2018 ₹ million	As at 31.03.2019 ₹ million	As at 31.03.2018 ₹ million
Provision for employee benefit				
Provision for Gratuity (Refer Note no. 18)	0.01	0.01	-	-
Provision for Expenses	-	-	0.00	0.00
Other Liabilities	-	-	1.37	0.95
	0.01	0.01	1.37	0.95

	As at 31.03.2019 (₹ in million)	As at 31.03.2018 (₹ in million)
11 Borrowings		
Current		
(Unsecured & repayable on demand)		
Loan from Related party (Refer Note 20)		
- Inter Corporate Deposit from related party	1.50	1.50
- Loan From Directors and Relatives of Director	434.29	422.84
- Spice Energy Private Limited	39.02	46.05
	<u>474.81</u>	<u>470.39</u>
12 Other Current Liabilities		
Sundry Creditors for Expenses	0.33	0.27
Other Liabilities	0.06	0.06
Other Liabilities	<u>0.40</u>	<u>0.33</u>
13 Other Income	Year Ended 31.03.2019 (₹ in million)	Year Ended 31.03.2018 (₹ in million)
Excess Provision for earlier years written back	-	-
Interest on income tax refund/TDS written off recovered	-	-
	<u>-</u>	<u>-</u>
14 Employee Benefit expenses	Year Ended 31.03.2019 (₹ in million)	Year Ended 31.03.2018 (₹ in million)
Salaries	2.12	2.99
Gratuity (refer note no. 18)	-	0.18
Leave Encashment	0.01	-
	<u>2.13</u>	<u>3.17</u>
15 Other Expenses	Year Ended 31.03.2019 (₹ in million)	Year Ended 31.03.2018 (₹ in million)
Advertisement Expenses	0.12	0.10
Auditors' Remuneration	0.30	0.24
Postage, Telephone, Telex & Courier Charges	0.21	0.05
Printing and Stationery Expenses	0.05	-
Bank Charges	0.01	0.01
Rent	-	-
Legal and Professional Charges	0.53	0.15
Rates & Taxes	0.05	-
Interest on TDS	-	-
Secretarial Service Charges	-	-
Travelling & Conveyance Expenses	0.04	0.05
Annual Listing Fees	0.29	0.29
Miscellaneous Expenses	0.38	0.21
	<u>1.98</u>	<u>1.11</u>
16 Capital and other commitments		
Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2019 : 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: ₹ 0.02/- million (Previous year - 0.52 million)		

18 DISCLOSURE OF "EMPLOYEE BENEFITS" are as follows:

Defined Benefits Plans

Gratuity

Actuarial Assumptions

	2018-19	2017-18
Discount Rate (Per Annum)	7.79%	7.87%
Rate of increase in compensation levels (Per Annum)	5%	5%
Expected average remaining lives of the employees (in no of years)	15	15
Attrition Rate	2%	2%

	₹ million 2018-19	₹ million 2017-18
Particulars		
Change in Present Value of Obligation		
I Present value of defined benefits obligation as at the beginning of the year	0.01	0.84
Net Liability/Asset transferred out		
Interest Cost		
Current Service Cost	-	0.18
Benefits Paid	-	1.01
Actuarial (Gain) / loss on obligation		
Present value of defined benefits obligation as at the end of the year	0.01	0.01
II Amount recognised in the Balance Sheet		
Liability at the end of the year	0.01	0.01
Fair Value of Plan Assets at the end of the year		
Amount recognised in the Balance Sheet	0.01	0.01
III Expenses recognised in the Pre-operative Expenses / Statement of Profit and Loss		
Current Service Cost	-	0.18
Past Service Cost	-	-
Interest Cost	-	-
Expected Return on Plan Assets		
Net Actuarial (Gain)/Loss Recognised in the year	-	-
Total expenses recognised in the Preoperative Expenses / Statement of Profit and Loss	-	0.18
IV Balance Sheet Reconciliation		
Liability at the beginning of the year	0.01	0.84
Net Liability/Asset transferred out	-	(0.92)
Expenses as above(Refer Point III)	-	0.18
Employers' Contribution		
Amount recognised in the Balance Sheet	0.01	0.10

V Disclosures as required under Para 120(n):

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Present value of defined benefit obligation	0.01	0.01	0.84	0.71	0.88
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.01)	(0.01)	(0.84)	(0.71)	(0.88)
Experience adjustment on liability {loss/(gain)}	(0.01)	(0.01)	(0.14)	(0.01)	(0.12)

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.

19 Segment Reporting :

The Company is in the process of setting up Thermal power project in its wholly owned subsidiary, which at present, constitutes its single operating segment. Therefore, there is no disclosure as per Ind AS-108 on 'Segment Reporting'.

20 Related Party Transactions as per Ind AS 24 :

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 LLP

3) Key Management Personnel :

Mr. Vishal Rastogi	Managing Director
Mr. Bhupendra Sharma	Chief Financial Officer (Resigned on 30/09/2018)
Ms Ruchi Singh	Company Secretary (Resigned on 26/07/2018)
Mr. Raman Kumar Mallick	Chief Financial Officer (Appointed on 02/11/2018)
Mr. Suvintra Kumar	Company Secretary (Appointed on 02/11/2018)

4) Relatives of Key Management Personnel

Mr. Gagan Rastogi	(Relative of Mr.Vishal Rastogi)
Mr. Deep Kumar Rastogi	(Relative of Mr.Vishal Rastogi)

B. Transactions with Related Parties

Particulars	Holding Company		Key Management Personnel and Relatives of Key Management Personnel*		Enterprise in which key management personnel and their relatives exercise significant influence	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Loans Repaid	11.66	31.55	0.65	0.30	-	-
Loans Taken	4.62	5.95	12.10	32.71		
Closing Balance:						
Loan Payable	39.01	46.05	434.29	422.84	1.50	1.50

* Loan taken includes Loan taken from Mr. Gagan Rastogi amounting to ₹ 12.10 Millions (32.71 Millions) and Loan payable includes Loan payable to Mr. Gagan Rastogi amounting to ₹ 434.29 Millions (422.84 Millions)

21 Disclosure in respect of Operating Leases:

- (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:

₹ in million

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

Total lease payments recognised in Statement of Profit and loss / pre operative expenses during the year was Rs.0.10 million (Previous Year : ₹ 0.70 million)

22 Earnings Per Share (EPS):

Particulars	For the year 31.03.2019 ₹ in million	For the year 31.03.2018 ₹ in million
Net Loss as per Statement of Profit and Loss (in ₹)	(34.11)	(4.28)
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 ₹)	(3.77)	(0.47)

23 Deferred Tax:

Deferred tax Asset has not been recognized considering the principle of virtual certainty as per Ind AS 12 'Income Taxes'.

24 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 Ind AS 105 Non-Current Assets held for sale and Discontinued 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 Ind AS-108 on 'Segment Reporting', the disclosure as required by Ind AS-108, 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) 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.
- 6) 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. (3.70) millions, Rs. (0.71) millions and Rs. 4.42 millions respectively.

25 Going Concern

Though 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. In view of above, the accounts have been prepared under going concern basis.

- 26 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
Equity Share Capital	13.20
Other Equity	1.01
Total Assets	458.52
Total Liabilities	446.31
Investment	-
Turnover	-
Profit/(Loss) before Taxation	-
Provision for Taxation	-
Profit/(Loss) after Taxation	-
Proposed Dividend	-
% of Shareholding	100%

27 Particulars of Derivative Instruments as at March 31, 2019 :

- 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)

- 28 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.

- 29 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.

- 30 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)
Parent				
SRM Energy Limited	122%	(16.90)	92%	(12.79)
Subsidiary (Indian)				
SRM Energy Tamilnadu Pvt. Ltd.	(88%)	12.21	(88%)	12.18
Adjustments arising out of consolidation		(43.25)		(13.23)
Consolidated Net Assets/ Profit after Tax		(47.94)		(13.84)

- 31 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.
- 32 During the year the liabilities relating to the leave encashment has been calculated and fully paid up. Further no provisions has been created for the same as the leave encashment policy has been abolished, effective from 01st April, 2018
- 33 The Income Tax Department has issued an order for the A.Y.2008-09 disallowing Rs.51.12 lacs w.r.t sales tax liabilities covered under the sales tax deferral scheme and for the A.Y.2013-14 disallowed Rs.8.31 lacs for the assessment u/s 143(3). The Company has filed appeals before CIT(A) in both the above matter. Also, demand raised by the Income Tax office Rs.0.60 lacs for the AY 2003-04, Rs.45.88 lacs for the AY 2007-08 and Rs.3.81 lacs for the AY 2009-10. In response of these demands of Rs.50.29 lacs no reply had been submitted by the Company to the Income Tax Department.
- 34 The Company has 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 ("SETPL") towards using the sale proceeds to settle partially the loan extended by Mr. Gagan Rastogi in favour of the wholly owned subsidiary.
- Pursuant to the aforesaid approval, the subsidiary Company shall initiate to negotiate with the prospective buyer/s or investor/s and after due negotiation and under intimation to our Board, the sale process shall be initiated.
- 35 Figures are rounded off to the million. '@'- represents figures less than Rs. 5,000 which have been shown at actual in brackets with @.

In terms of our report attached
For **VATSS & Associates**
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862
Place : New Delhi
Date : 28/05/2019

For & on Behalf of the Board of Directors

Vishal Rastogi
Managing Director
DIN:02780975

Shailesh Kumar Singh
Director
DIN:07688944

Suvindra Kumar
Company Secretary

Raman Kumar Mallick
Chief Financial Officer

SHAREHOLDER'S INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 23, 2019 at 09:00 A.M. and ends on September 25, 2019 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 19, 2019, 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 19, 2019 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.
(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. Please follow the instructions as prompted by the mobile app while voting on your mobile.)
- (iv) Click on "Shareholders/Members" 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 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"> • 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. • 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
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"> • 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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders/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 of '**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 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.
 - 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 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 20, 2018 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, under help section or write an email to 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 as at closing hours of business, on Friday, 23rd August, 2019.
- The Voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
- Mr. Sajal Saxena, Proprietor of Sajal Saxena, Company Secretaries 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.
- 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 26th September, 2019 and will be communicated to the Stock Exchange and placed on the website of the Company, i.e., www.srmenergy.in.

**SRM EMERGY LIMITED**

CIN: L17100DL1985PLC303047

Regd. off: 21, Basant Lok Complex, Vasant Vihar, New Delhi- 110057

Phone: +91 (11) 41403205

Email: info@srmenergy.in, Web: www.srmenergy.in

PROXY FORM**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 SRM Energy Limited, 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 32nd Annual General Meeting of the Company, to be held on Thursday the 26th day of September, 2019 at Federation of Indian Export Organisations, Niryat Bhawan, Rao Tula Ram Marg, OPP. Army Hospital Research and Referral, New Delhi 110 057 at 11:00 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 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.
- 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:

- Regularization of appointment of Mr. Vijay Kumar Sharma (DIN: 03272034) as a Non Executive and Non Independent Director of the Company.
- Re- Designation of Mrs Tanu Agarwal (Din:07134266) as an Independent Director of the company.

Affix
Revenue
Stamp

Signed this _____ day of _____ 20_____

Signature of shareholder _____ Signature of Proxy holder(s) _____

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.

----- Cut Here -----

**SRM EMERGY LIMITED**

CIN: L17100DL1985PLC303047

Regd. off: 21, Basant Lok Complex, Vasant Vihar, New Delhi- 110057

Phone: +91 (11) 41403205, Email: info@srmenergy.in, Web: www.srmenergy.in

ATTENDANCE SLIP**32nd ANNUAL GENERAL MEETING****PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AGM PREMISES.**

I/We hereby record my/our presence at the 32nd Annual general meeting of the Company to 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.

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

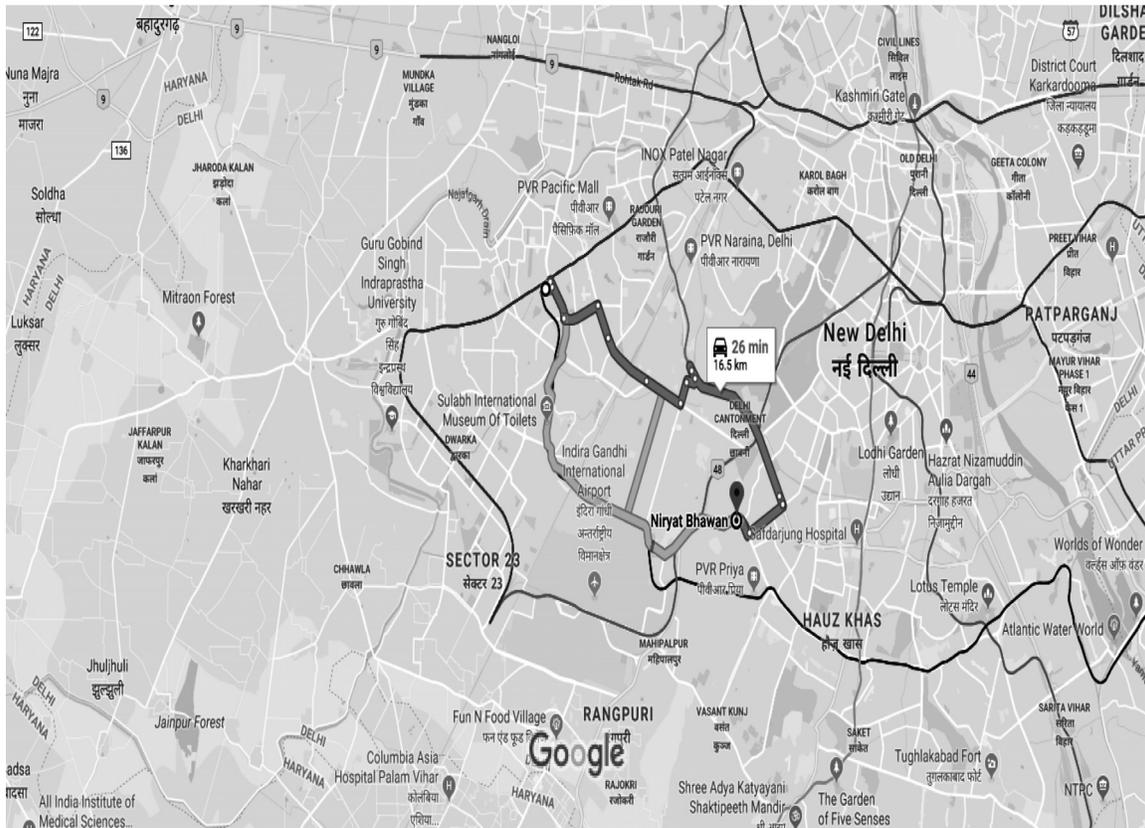
I certify that I am a member/proxy/ authorized representative for the member of the Company.

**PLEASE CARRY YOUR COPY
OF ANNUAL REPORT**

Signature/s of the Shareholder/s or Proxy
(To be signed at the time of handing over the slip)

**NO GIFTS/SNACKS WILL BE
PROVIDED AT THE MEETING**

ROUTE MAP OF NIRYAT BHAWAN, THE AGM VENUE



If undelivered, please return to :-

SRM ENERGY LIMITED

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