



**S. E. Power Limited**

**2015-16**

**ANNUAL  
REPORT**



# COMPANY INFORMATION

## Board of Directors

Dr. Arun Gopal Agarwal	Chairman
Mr. Ravindra Agrawal	Managing Director
Mr. DharamVir Gupta	Independent Director
Mrs. Anshu Gupta	Independent Director
Mr. Diwan Chand Arya	Independent Director

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**Chief Financial Officer**  
CA Nikhil Bansal

**Company Secretary**  
CS Manendra Singh

**Registered Office**  
Survey No. 54/B, Pratapnagar,  
Jarod-Savli Road, Samlaya  
Vadodara-391520 (Gujarat)

**Registrar and Share Transfer Agent**  
Alankit Assignments Limited  
Alankit Heights, 1E/13, Jhandewalan  
Extension, New Delhi - 110055

**CIN**  
L40106GJ2010PLC091880

**Statutory Auditor**  
M/s P M S & Co.,  
Chartered Accountants

**Website & E-Mail**  
[www.sepower.in](http://www.sepower.in)  
[info@sepower.in](mailto:info@sepower.in)

**Listing of Equity Shares**  
i) National Stock Exchange of India Limited  
ii) BSE Limited

**Bankers**  
Andhra Bank

**6<sup>th</sup> Annual General Meeting**  
20<sup>th</sup> September, 2016 at 10:30 AM  
at Registered Office of the Company

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## CHAIRMAN'S LETTER

**Dear Shareholders,**

I would like to express my warm wishes to all the esteemed Shareholders of the Company and it gives me pleasure to reach you through this Annual Report.


With the philosophy to preserve the ecological cycle in harmony with industrialization by way of effective utilization of renewable resources and producing useful recycled materials, the Company is continuously moving towards achieving its goals. During the financial year 2015-16 the revenue from operations of the Company is improved by 71.67% and stood at Rs. 949.01 Lakhs in comparison to Rs. 552.79 Lakhs in the previous financial year 2014-15 and loss in the financial year 2015-16 is stood at Rs. 247.23 Lakhs. Detailed financials of the Company is given under the financial segment of this Annual Report.

With the efforts of the Management, during the year under review, for reclaimed rubber division, the Company has succeeded in supplying unparalleled quality products on regular basis to many customers in various segments. The Company has established systems and policies of raw materials procurement, production, quality assurance, sales and marketing for systematically business development and growth. The Company has established quality management system in compliance with ISO 9000:2008 and environment management system in compliance with ISO 9001:2004, certified by TUV NORD. Further, the Company is also targeting for OHSAS 18000 certification for its Health and Safety Management Systems.

The Company has developed its product line in a manner to meet quality stipulations as directed under the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), which is a pre-requisite to effect supplies to European and to many domestic customers who are in turn supplying their end products to European markets. With this the Company gradually and steadily marching ahead to be an approved and preferred vendor for leading players in automotive tyres, conveyor belts and transmission belts industries etc.

The Central Government has taken measures which are aimed to improve the competitiveness and capabilities of domestic firms and promoting structural transformation. To foster entrepreneurship in the country, Central Government has taken initiatives like "Make in India", a major national initiative designed to facilitate investment; foster innovation; enhance skill development; protect intellectual property, and build best-in-class manufacturing infrastructure, "Start-up India" an initiative aims at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive for growth of Start-ups. The objective is that India must become a nation of job creators instead of being a nation of job seekers, FDI Policy Reforms, with the objective of providing major impetus to employment and job creation in India. These initiatives of the government will definitely provide help to the industries to grow in preferable manner. We, at SEPOWER, believe that with the Company's motto of saving earth and its fragile resources, Company will also gain from government initiatives for ecosystem of the country.

The Company is focusing on delivering better operational performance by value enhancement initiatives and economies of scale coming from volume led growth. However, significant fall down of petroleum price and there by virgin rubber prices is the very big hurdle to further sustain and develop the reclaim rubber industry. But the Management of the Company have a positive attitude about the future growth and development of the Company with the change of time and suitable business environment for the reclaim industry. Further, it is needless to say that Company's future growth and success would be determined by its ability to cater to customers' aspiration and needs. It is our confidence that our Company has greater growth prospects and ability to deliver results to its stakeholders in the longer run.



Moreover, stakeholders' faith is biggest motivational factor for every Company and its management, accordingly I would like to express my sincere appreciation for stakeholders continuous encouragement and support and confident that they will continue to extend their blessings and support to the Company in future.

I would like to thank all our employees for their efforts, dedication and commitment for moving towards our goals and to set bigger targets. I am confident that our vibrant and dynamic team will drive us towards greater heights and face any challenges that may arise in future.

Finally, I would like to convey my sincere thanks to our promoters, shareholders, bankers, lenders, suppliers, auditor, government, consultants and other stakeholders for their support and trust in the Company and its management. I also take this opportunity to express my sincere thanks and gratitude to my colleagues for their valuable guidance and advice in the management of the company.

With warm regards,

Date: 13<sup>th</sup> August, 2016  
Place: New Delhi

Sd/-  
**Dr. Arun Gopal Agarwal**  
Chairman  
(DIN 00374421)

# NOTICE OF THE 6<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of Members of S. E. Power Limited will be held on Tuesday, 20<sup>th</sup> day of September, 2016 at 10:30 A.M. at Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya Vadodara-391520 to transact the following business:

## **ORDINARY BUSINESS:**

### **Item no. 1 – Adoption of Financial Statements**

To consider and adopt Standalone and Consolidated Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 including the audited Balance Sheet as on 31<sup>st</sup> March, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

### **Item no. 2 – Re-appointment of Director**

To appoint a Director in place of Dr. Arun Gopal Agarwal (holding DIN 00374421), who retires by rotation and being eligible, offers himself for re-appointment.

### **Item no. 3 – Appointment of Auditors**

To Appoint M/s R. Lal & Company, Chartered Accountants, as statutory Auditors and to fix their remuneration.

In this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Sections 139, 142 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s R. Lal & Company Chartered Accountants (Firm Registration No. 000926C), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of sixth (6<sup>th</sup>) Annual General Meeting until the conclusion of the eleventh (11<sup>th</sup>) Annual General Meeting of the Company, subject to ratification of the appointment by the Members of the Company at every Annual General Meeting as per the provision of Companies Act, 2013 at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.”

## **SPECIAL BUSINESS:**

### **Item No. 4 – Appointment of Mr. Diwan Chand Arya as an Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Diwan Chand Arya (holding DIN 05164932), who was appointed by the Board of Directors as an Additional Director of the Company (and categorized as ‘Independent Director’) with effect from 27<sup>th</sup> May, 2016 and who holds office upto the date of this

Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of five years, such five years shall be computed from the date of his first appointment, i.e. 27<sup>th</sup> May, 2016 subject to his compliance with the requirements as prescribed under the Act and such other provisions as may be applicable under other statute, if any, with regard to an Independent Director and further during the tenure of appointment, the said Independent Director shall not be liable to retire by rotation pursuant to Section 152 of the Act.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which shall also include its duly authorised Committee or individual Director) be and is hereby authorised to take all the actions and steps desirable for the purpose of this resolution in conformity with the applicable provisions of Companies Act, 2013.”

#### **Item No. 5 – Fixation of Remuneration to Managing Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196,197, read with Schedule V of the Companies Act, 2013 (“the Act”) and rules made thereunder (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval of Central Government and such other approvals and sanctions, if any, when necessary and with reference to resolutions passed in 3<sup>rd</sup> and 4<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2013 and 30<sup>th</sup> September, 2014 respectively, consent and approval of the Shareholders of the Company be and is hereby accorded to make payment of remuneration of Rs. 2,75,000/- per month to Mr. Ravindra Agrawal, Managing Director of the Company for rest of his tenure (from 15<sup>th</sup> July, 2016 and ended to 14<sup>th</sup> July, 2018) as Managing Director of the Company, as minimum remuneration in the event when the Company do not have profits or the profits are inadequate.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which shall also include its duly authorised Committee or individual Director) be and is hereby authorised to take all the actions and steps desirable for the purpose of this resolution in conformity with the applicable provisions of the Act and also to settle any question, difficulty or doubt that may arise in this regard without requiring the Board to secure any further consent of the Members of the Company.”

#### **Item No. 6 – Determination of Fee for Service of Documents to Shareholder**

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

“**RESOLVED THAT** pursuant to the provisions of Section 20 of Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act and relevant rules prescribed thereunder, whereby a document may be served on any Member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the Member in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by Member for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week in advance of despatch of the document by the Company and that no such request will be entertained by the Company after the despatch of such document by the Company to the Member.



**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution.”

**Date :13<sup>th</sup> August, 2016**  
**Place : New Delhi**

**By Order of the Board of**  
**S. E. Power Limited**

**Sd/-**  
**Manendra Singh**  
**Company Secretary**  
**Membership No.: F7868**

## NOTES

1. The relevant Explanatory Statement, in accordance with provisions of Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under item no. 4 to 6 of the Notice, is annexed herewith. The required details as per Regulation 36 (3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard issued under Companies Act, 2013, of persons seeking appointment/re-appointment as Directors under item no. 2 and 4 of the Notice, are also annexed.
2. A Member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a Member of the Company. The instrument appointing proxy in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than Forty-Eight Hours before the scheduled time for commencement of the meeting.
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 (10%) of the total share capital of the Company carrying voting right. In case a proxy is proposed to be appointed by a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights then such proxy shall not act as a proxy for any other person or member.
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members/ Proxies attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of place of the meeting. Proxy/Representative of a Member should mark on the Attendance Slip as “Proxy” or “Representative” as the case may be. Members holding shares in electronic form and desirous of attending the meeting are required to bring along with them Client ID and DP ID Numbers for easy identification.
6. In case of Joint holders attending the meeting, only such joint holder whose name appears first in the order of names, will be entitled to vote.

7. The Register of Members and Share Transfer Books of the Company will remain closed from 14<sup>th</sup> September, 2016 to 20<sup>th</sup> September, 2016 (both days inclusive).
8. Members desirous of getting any information on the Financial Statements at the Annual General Meeting are requested to write to the Company at least 10 days in advance, so as to enable Company to keep the information ready.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their Bank account details, Electronic Clearing Services (ECS) mandates, nominations, power of attorney, change of address, name, e-mail address, contact numbers etc. to their Depository Participant (DP) only and not to the Company's Registrar & Share Transfer Agent. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better service to the Members.
10. Members holding shares in physical form are requested to intimate all changes in their particulars including nominations, power of attorney, change of address, name, e-mail address, contact numbers etc. to the Registrar & Share Transfer Agent of the Company, quoting their registered folio number.
11. The Securities and Exchange Board of India (SEBI) has notified that the shareholders/transferee(s) of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company / RTA for transactions in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferee(s) of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company/ RTA while transaction in the securities market including transfer, transmission or any other corporate action.
12. All documents referred to in the Notice and the Explanatory Statement requiring the approval of the Members at the meeting shall be available for inspection by the Members at the Registered Office of the Company, on all working days between 11:00 a.m. to 1:00 p.m., except Sundays and public holidays, from the date hereof up to the date of the 6<sup>th</sup> Annual General Meeting of the Company.
13. As per Section 72 of the Act, Members are entitled to make nomination in respect of shares held by them. Members desirous of making nomination are requested to send their request in Form No. SH 13 to the Company or Registrar and Share Transfer Agent. The form SH 13 will be made available to Member(s) on request.
14. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General meeting. Members are requested to bring their copies to the meeting.
15. Notice of this Annual General Meeting, Audited Financial Statements for 2015-16 along with Auditors' Report and Directors' Report are available on the website of the Company [www.sepower.in](http://www.sepower.in)
16. All communication relating to shares are to be addressed to the Company's Registrar and Share Transfer Agent, M/s Alankit Assignments Limited, Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi - 110055.
17. Provisions of Companies Act, 2013 and Green initiative in Corporate Governance, allowed Companies to give notice and share documents with its Members through electronic mode. Accordingly, the Company sends notice and communication, in electronic form to all its Members whose email ids are registered with the Company/ Depository Participant. Members are requested to support this green initiative by registering /updating their email addresses, in respect of shares held in dematerialized form with their respective Depository Participants and

in respect of shares held in physical form, with Alankit Assignments Ltd., Company's Registrar and Share Transfer Agent.

18. Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 6<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 17<sup>th</sup> September, 2016 (9:00 am) and ends on 19<sup>th</sup> September, 2016 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 13<sup>th</sup> September, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting is as under:
  - A. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :
    - i. Open email and open PDF file viz; "SEPOWER remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - iii. Click on Shareholder - Login
    - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
    - v. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - vi. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - vii. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

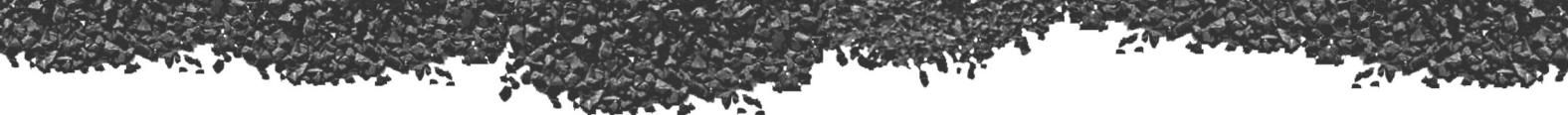
- viii. Select “EVEN” of “S. E. Power Limited”.
  - ix. Now you are ready for remote e-voting as Cast Vote page opens.
  - x. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - xi. Upon confirmation, the message “Vote cast successfully” will be displayed.
  - xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sepower.scrutinizer@gmail.com](mailto:sepower.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- i. Initial password is provided as below at the bottom of the attendance slip/ separate sheet attached with Annual Report.

**EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN**

- ii. Please follow all steps from Sl. No. ii to Sl. No. xiii above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 13<sup>th</sup> September, 2016.
- X. 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.13<sup>th</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [jksingla@alankit.com](mailto:jksingla@alankit.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

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- XII. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. CS Satish Kumar Jadon, Practicing Company Secretary (Membership No. 23580) has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper” for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the web site of the Company “<http://www.sepower.in>” and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

### ITEM NO. 4

Mr. Diwan Chand Arya was appointed as an Additional Director by the Board of Directors w.e.f. 27<sup>th</sup> May, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 ("Act") and Articles of Association of the Company. Pursuant to Section 161 of the Act, said Additional Director hold office up to the date of this Annual General Meeting.

Therefore, in terms of Section 149 and other applicable provisions of the Act, Mr. Diwan Chand Arya, being eligible for appointment, is proposed to be appointed as an Independent Director of the Company for five consecutive years. In this regard the Company has received request in writing proposing his candidature for the appointment as Independent Director of the Company in accordance with the provisions of Section 160.

Further, in the opinion of the Board, Mr. Diwan Chand Arya fulfils the conditions specified in the Act and rules made thereunder for the appointment as an Independent Director of the Company.

Copy of the draft letters for appointment of Mr. Diwan Chand Arya as Independent Director, setting out the terms and conditions would be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Diwan Chand Arya as an Independent Director. Accordingly, the Board recommends the resolution set out at Item No. 4 of the accompanying notice for approval of the Members.

Except above appointee Director, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives, are concerned or interested, in the resolution.

### ITEM NO. 5

The Members of the Company at 3<sup>rd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2013 have confirmed the appointment of Mr. Ravindra Agrawal, as Managing Director of the Company for the term of 5 years w.e.f. 15<sup>th</sup> July, 2013 to 14<sup>th</sup> July, 2018 and in terms of said resolution, remuneration of Rs. 45,000/- per month was fixed as minimum remuneration during the currency of his tenure as Managing Director, in the event when Company has no profits or its profits are inadequate. Further, at the 4<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, pursuant to provisions of Schedule V of the Companies Act, 2013, above mentioned minimum remuneration has been fixed for initial period of 3 years i.e. from 15<sup>th</sup> July, 2013 to 14<sup>th</sup> July, 2016 out of current tenure of 5 years of Mr. Ravindra Agrawal as Managing Director of the Company. The said period of 3 years has been expired on 14<sup>th</sup> July, 2016.

Therefore, subject to consent of the Members of the Company, on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting has approved the remuneration of Rs. 2,75,000/- as minimum remuneration payable to Mr. Ravindra Agrawal for rest of his tenure as Managing Director of the Company and accordingly, pursuant to provisions of the Section II of Part II of Schedule V of the Companies Act, 2013, the consent of the Members of the Company by way of Special Resolution is sought to authorise the Company to make payment of above remuneration to Mr. Ravindra Agrawal, Managing Director of the Company.

The information required under Section II of Part II of Schedule V of the Companies Act, 2013 are as under:

<b>I GENERAL INFORMATION:</b>														
(1)	Name of Industry	: Company is engaged in power generation through wind energy and Rubber reclamation from waste tyres												
(2)	Date of commencement of commercial production	: Power Generation- 30 <sup>th</sup> September, 2010* Rubber Reclamation - 26 <sup>th</sup> March, 2014												
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	: Not Applicable												
(4)	Financial performance based on given indicators	: The Company earned total revenue during the financial year 2015-16 of Rs. 9.59 Crores as compared to total revenue of Rs. 5.65 Crores during the financial year 2014-15. However, due to increase in operational and other expenses, Company has incurred net loss of Rs. 2.47 Crores in the financial year 2015-16 as compared to the net loss of Rs. 3.48 Crores during the financial year 2014-15.												
(5)	Foreign investments or collaborations, if any	: The Company does not have any collaboration. Foreign shareholding as on 30 <sup>th</sup> June 2016 as under: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Category</th> <th>No of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>FII/FPI</td> <td>72,37,019</td> <td>17.82</td> </tr> <tr> <td>NRI</td> <td>30,403</td> <td>0.07</td> </tr> <tr> <td>Foreign body corporate</td> <td>1,58,88,591</td> <td>39.12</td> </tr> </tbody> </table>	Category	No of Shares	%	FII/FPI	72,37,019	17.82	NRI	30,403	0.07	Foreign body corporate	1,58,88,591	39.12
Category	No of Shares	%												
FII/FPI	72,37,019	17.82												
NRI	30,403	0.07												
Foreign body corporate	1,58,88,591	39.12												
<b>II INFORMATION ABOUT THE MANAGING DIRECTOR:</b>														
(1)	Back Ground Details	: Mr. Ravindra Agrawal, who has engineering background with more than 35 years of industrial experience in different fields and also has experience in business process like operation, quality control, procurement, management and marketing, is acting as Managing Director of the Company.												
(2)	Past remuneration	: Mr. Ravindra Agrawal as Managing Director had drawn remuneration of Rs. 5,40,000/- (Rupees Five Lakh Forty Thousands) during the financial year 2015-16.												
(3)	Recognition or awards	: NIL												
(4)	Job profile and his suitability	: Mr. Ravindra Agrawal is the Managing Director of the Company since last three years and performing all his duties as Managing Director of the Company. Mr. Ravindra Agrawal, being an engineer and having a rich experience in the field of operation, quality control and marketing, is suitable towards achievement of common objectives of the Company.												
(5)	Remuneration proposed	: It is proposed to pay Rs. 2,75,000/- as remuneration, subject to terms and conditions as set out under the Section 196, 197 and Schedule V of Companies Act, 2013.												

(6)	Comparative remuneration profile with respect to industry	:	Taking into consideration the size of the Company, nature of the industry, profile, position, responsibility, capability, experience and involvement of Mr. Ravindra Agrawal in the Company, the proposed remuneration is reasonable as compared with the remuneration drawn by the managerial personnel in the similar capacity in other companies in related industry.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any	:	Mr. Ravindra Agrawal except receiving remuneration as Managing Director, does not have any other pecuniary relationship with the Company. Mr. Ravindra Agrawal does not have any relationship with other Key Managerial Personnel of the Company.
<b>III OTHER INFORMATION:</b>			
(1)	Reason of loss or inadequate profits	:	Reason of Loss in the Company is due to challenging business environment in the reclaimed rubber industry and unfavourable environmental conditions for generation of power through wind.
(2)	Step taken or proposed to be taken for improvement	:	The management of the Company is constantly endeavouring for exploring avenues to increase revenues through increase in customer base, cost optimization and improved technology adoptions.
(3)	Expected increase in productivity and profits in measurable terms.	:	Looking at the past performance, the productivity of the company is expected to increase by 200% and profit in measurable terms may be ascertained by the end of current year.

\*(Appointed date on which non-conventional energy division of M/s S. E. Investments Ltd was vested in the Company by virtue of Order of Hon'ble High Court of Delhi)

The Board recommends the resolution set out at Item No. 5 of the accompanying notice for approval of the Members by way of a Special Resolution.

Except Mr. Ravindra Agrawal, Managing Director of the Company, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives, are concerned or interested, in the resolution.

#### ITEM NO. 6

As per the provisions of Section 20 of the Companies Act, 2013, a shareholder may request for any document through a particular mode, for which the shareholder shall pay such fees as may be determined by the Company in its Annual General Meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the member to the Company. Therefore the Board recommends the resolution at item no. 6 for the approval of the Shareholders.

No Director of the Company, Key Managerial Personnel or their relatives respectively is in any way concerned or interested in the proposed resolution

Date :13<sup>th</sup> August, 2016  
Place :New Delhi

By Order of the Board of  
**S. E. Power Limited**

Sd/-  
**Manendra Singh**  
Company Secretary  
Membership No.: F7868



## DETAILS OF DIRECTORS

### SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In pursuant to Secretarial Standard issued under the Companies Act, 2013  
and Regulation 36 of SEBI (LODR) Regulations, 2015)

Name of director	Dr. Arun Gopal Agarwal	Mr. Diwan Chand Arya
DIN	00374421	05164932
Date of Birth	2 <sup>nd</sup> March, 1946	2 <sup>nd</sup> June, 1955
Age	Aged about 70 Years	Aged about 61 Years
Date of Appointment	4 <sup>th</sup> August, 2011	27 <sup>th</sup> May, 2016
Qualification	CS, CWA, Ph. D (Commerce)	M.A. (Economics), CWA, CS
Expertise in Specific Functional Areas / Experience	Key areas of his expertise include commercial arbitrations, management, accounting, financial management including budgetary controls, cost accounting and internal audit. He is also fellow member of the Management Association and Arbitration Council of India.	He is having an enrich experience in various PSUs with senior level positions. Key areas of his expertise includes Finance Management, Cash Management, Fund Management, Cost Management, Efficiency Audit, HR Management etc.
Designation (at which appointment to be made)	Non-Executive Director	Independent Director
Shareholding in the Company as on the date of this Notice	Nil	Nil
Shareholding of Non-Executive Directors in the Company as on the date of this Notice	Nil	Nil
List of other companies in which directorship held on the date of this Notice	1. S. E. Investments Limited 2. Bloom Inn Private Limited 3. Value Plus Centre Of Excellence Private Limited 4. Agarwal Meadows Private Limited 5. Shubham Electrochem Limited 6. R N R Infosolution Private Limited	D C Arya Business Solutions Private Limited
Chairman/ Member of the Committees of the Board across all other public Companies of which he is a Director as on the date of this Notice	S. E. Investments Limited:- I. Nomination & Remuneration Committee Member II. Stakeholders Relationship Committee Chairman III. Corporate Social Responsible Member	Nil
Relationships between Directors inter-se	Nil	Nil
Remuneration	No remuneration paid or proposed to be paid.	No remuneration paid or proposed to be paid

# BOARD'S REPORT

## Dear Members

The Directors are pleased to present 6<sup>th</sup> Annual Report of the Company along with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2016.

## Financial Results

The financial results of the Company for the year 2015-16 is summarized in the following table as compared to that of previous year:

(Rs. in Lakhs)

Particulars	Year Ended on 31 <sup>st</sup> March, 2016	Year Ended on 31 <sup>st</sup> March, 2015
Revenue from Operations	949.01	552.79
Other Income	10.53	11.84
Total Revenue	959.54	564.63
Less: Expenditure	889.10	476.81
Profit before Financial Cost, Depreciation and Tax	70.44	87.82
Less: Financial Cost	44.21	46.72
Less: Depreciation and amortization	395.58	383.48
Profit before Tax (PBT)	(369.35)	(342.38)
Less: Tax Expenses	(122.12)	5.91
Profit after Tax(PAT)	(247.23)	(348.29)
Balance carried to Balance Sheet	702.99	455.75

## Summary of Performance

During the year 2015-16 the Company has reported growth of 71.67 % in revenue from operations as compared to the previous financial year 2014-15. During the financial year the total revenue of the Company stood at Rs. 959.54 Lakhs. However, due to challenging business environment for reclaim rubber industry and increase in cost of operations, the Company has suffered Loss of Rs. 247.23 Lakhs during financial year 2015-16.

Management of the Company believes that business environment will change and the Company will come with better and positive results in upcoming years.

## Dividend

In the financial year under review, Company has not earned profit, therefore, the Board of Directors regret their inability to recommend any dividend for the year.

## Fixed Deposits

Company has not accepted any public deposits within the meaning of Section 73 of Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and as such no amount of principal or interest on public deposits was outstanding as on the date of balance sheet.

## Board of Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 and as per Articles of Association of the Company Dr. Arun Gopal Agarwal, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment.

On 27<sup>th</sup> May, 2016 Mr. Diwan Chand Arya has been appointed as Additional Independent Director of the Company. Regularisation of Mr. Diwan Chand Arya as Independent Director is proposed in forthcoming Annual General Meeting.

None of the Directors of the Company is disqualified under Section 164 of the Companies Act, 2013.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting, as required under clause 36 of SEBI (LODR) Regulations, 2015, is enclosed with the notice of Annual General Meeting.

## **Criteria for Board Membership of the Company**

For the appointment of Directors, the Company take into account following points:

Director must have relevant experience in Finance/ Law/ Management/ Sales/ Marketing/Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to Company's business.

- Director should possess the highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- Director must be fit and proper person.

## **Independent Director**

Independent Director is a Non-Executive Director, who does not have any direct or indirect material pecuniary relationship with the Company or any of its officers, other than as a Director or Shareholder of Company. Independent Director shall abide by the Code of Conduct as prescribed under Schedule IV of the Companies Act, 2013.

Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Regulation 25 of SEBI (LODR) Regulations, 2015.

Mr. Dharam Vir Gupta, Mrs. Anshu Gupta and Mr. Diwan Chand Arya are Independent Directors on the Board of the Company. In the opinion of the Board and as declaration submitted by these Directors under Section 149 (7) of Companies Act, 2015, they comply with all the criteria of Independent Director as envisaged in Section 149(6) the Companies Act, 2013 and Regulation 25 SEBI (LODR) Regulations, 2015.

## **Familiarization Programme for Independent Directors**

Every new Independent Director of the Board attends an orientation program, which is to familiarize the new Non-Executive Director with the strategy, operations and functions of the Company. The Executive Directors / Senior Managerial Personnel conduct meetings with the Non-Executive Directors to make them understand the Company's strategy, operations, product and organization structure, human resources, facilities and risk management. Through meetings and interaction among Senior Managements and Non-Executive Directors and Independent Directors, Company has made its best effort to ensure that the Non-Executive Directors understand their roles, rights, responsibilities in the Company.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as an Independent Director. The format of the letter of appointment is available on Company's website.

## **Company's Policy on Directors' Appointment and Remuneration**

Company has constituted Nomination and Remuneration Committee as required under Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015, which inter-alia has recommended and formulated a Remuneration Policy ("the policy").

The Policy is framed in accordance with the provisions of Companies Act, 2013 and listing Regulations. In case of any subsequent changes in the provisions of Companies Act, 2013 and Listing Regulations which makes any of the provisions of the policy inconsistent with the Act or regulations, the provisions of the Act or regulation shall prevail over the policy.

The objective of the policy is to provide criteria for appointment of Directors viz. experience, qualification, positive attributes understanding of the Company's business and social perspective, personal achievements and Board diversity. The Policy also contained the provisions to ensure that Executive Directors, KMP and other employees are sufficiently compensated for their performance. Under the Policy, Nomination and Remuneration Committee is entrusted with the responsibility to evaluate the various aspects relating to recommend the appointment and remuneration of the Directors of the Company.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non-Executive Directors shall be entitled for sitting fees, reimbursement of expenses, paid for attending the meeting of the Board and Board Committees and commission as approved by the Board or/and shareholders.

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and other benefits are paid according to the Company policy, subject to prescribed statutory ceiling. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience /merits, performance of each employee.

## **Board Evaluation**

The Companies Act, 2013 states that formal annual evaluation required to be made by Board of its own performance and that of its Committees and individual Directors and Schedule IV of the Companies Act, 2013 states that the performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. Further, listing regulations also mandates that the Board shall monitor and review the Board evaluation framework.

Accordingly, the Board in consultation with the Nomination and Remuneration Committee, has set the criteria for evaluation of performance of Executive/Non-Executive/Independent Directors. Such criteria provides that the evaluation of performance of Board as whole, its Committees and Directors shall be carried out on annual basis and the Board may avail services of independent consultant to facilitate it for evaluating the performance of directors individually or collectively.

During the year, evaluation of performance of all the Directors and the Board as a whole and its Committees was conducted based on criteria set in this regard. The Evaluation process focused on various aspect of the Board and Committees functioning such as composition of the Board and Committees, competencies and experiences, performance of duties and obligation assigned etc. A separate process was also carried out to evaluate the performance of individual Director on the criteria such as contribution in decision making, governance issue, independent judgment, experience and presence in the meetings of Board and Committees. The results of evaluations were satisfactory. In addition to above evaluation, the performance of Non-Independent Directors, performance of Board as a Whole, performance of Chairman of the Company have also been reviewed by Independent Directors in their separate meeting held on 14<sup>th</sup> March, 2016 in terms of provisions of Schedule IV of the Companies Act, 2013 and Listing Regulations.

## **Directors' Responsibility Statement**

Pursuant to the requirement of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 (the Act), your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year 2015-16, the applicable accounting standards had been followed and there are no material departure from the same;

- b) the Directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and 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.

### **Subsidiary Company**

The Company owned hundred percent shares of M/s Shubham Electrochem Limited (Wholly Owned Subsidiary Company). At the year ended 31<sup>st</sup> March, 2016, the net worth of M/s Shubham Electrochem Limited stood at Rs. 279.25 Lakhs. During the reporting period Subsidiary Company reported profit before tax of Rs. 4.80 Lakhs.

### **Statutory Auditor and Audit Report**

In terms of Section 139 of the Companies Act, 2013, M/s P M S & Co., Chartered Accountants, has been appointed as Statutory Auditor of the Company in 4<sup>th</sup> Annual General Meeting up to the conclusion of 6<sup>th</sup> Annual General Meeting. Accordingly, term of P M S & Co., to hold office of Statutory Auditors of the Company, being ended at the conclusion of ensuing Annual General Meeting. Therefore, pursuant to Section 139 of the Companies Act, 2013 the Company is required to appoint Statutory Auditors of the Company in the 6<sup>th</sup> Annual General Meeting to hold office from conclusion of 6<sup>th</sup> Annual General Meeting till the conclusion of 11<sup>th</sup> Annual General Meeting, subject to ratification by members at every Annual General Meeting.

Retiring Statutory Auditor M/s P M S & Co. have shown their unwillingness to be re-appointed for the further term of Five years. Therefore, Board has approached M/s R. Lal & Company, Chartered Accountants (Firm Registration No 000926C) to be appointed as the Statutory Auditor of the Company for a term of Five years and has received their consent for the appointment. Further, Company has also obtained a written confirmation from M/s R. Lal & Company, proposed to be appointed, to the effect that their appointment, if made, would be within the limits prescribed.

The Statutory Auditor's observation in their report read with notes to the accounts are self-explanatory and do not call for any further explanation. The Auditors of the Company have not given any adverse remark or disclaimer in their reports.

### **Secretarial Auditor and Secretarial Audit Report**

As stipulated in the Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit for the financial year 2015-16 has been carried out by a qualified Practicing Company Secretary and submitted Secretarial Audit Report on the compliance of applicable Acts, Rules, Regulations, Guidelines, Standards etc. The Secretarial Audit Report is enclosed to this Annual Report as an integral part of this report. The findings of Secretarial Audit are satisfactory and do not call for any further explanation.

### **Risk Management**

In terms of provisions of Listing Agreement, during financial year 2014-15 Company has constituted Risk Management Committee to facilitate the Board of Directors to address the risk associate with the business

of the Company and to develop and implement Risk Management Policy. The Committee has developed and implemented the policy to assist the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

However, due to amendments in Listing Agreement followed by effectiveness of new Listing Regulation, SEBI (LODR) Regulations, 2015, it is not a mandate for Company to constitute the Risk Management Committee, therefore the Board of Directors in its meeting held on 27<sup>th</sup> May, 2016, has dissolved Risk Management Committee and Audit Committee has been entrusted with duty to assist Board for risk management.

## **Internal Financial Controls**

Internal Financial Control System is an integral component of the Risk Management System of the Company. The internal financial control policies and internal audit program adopted by the Company plays an important role in safeguarding the Company's assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Board has adopted procedures for ensuring the orderly and efficient conduct of its business, including risk management feedback loop, in which the information generated in the internal control process is reported back to Board and Management.

A firm of Competent Chartered Accountants has been engaged by the Company for conducting internal audit, to examine and evaluate the adequacy and effectiveness of internal financial control system of the Company. The Audit Committee of Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

The Audit Committee of Board of Directors actively review the adequacy and effectiveness of internal financial control system and suggests improvements for strengthening them. Internal Financial Control System of the Company are adequate with the respect to the operations of the Company.

## **Particulars of Contracts or Arrangements with Related Parties**

During the year under the review, there were no materially significant related party transactions which could have had a potential conflict with the interests of the Company. Transactions with related parties are in the ordinary course of business on arm's length basis and do not attract the provisions of Section 188(1) of the Companies Act, 2013. The related party transactions were periodically placed before the Audit Committee and/or Board for its approvals or review as and when required. Only two related party transactions were taken place during the year under review with Mrs. Shilpa Agarwal (relative of Managing Director) and Dr. Arun Gopal Agarwal (Director) to avail professional services and the Company has paid Rs. 6,00,000/- and Rs. 2,46,000/- respectively to them. The policy on Material Related Party Transactions is available on the Company's website.

## **Credit Rating**

CARE BB+ and CARE A4 rating has been assigned by Credit Analysis & Research Ltd. (CARE Ratings) to the Company for Long Term Bank Facilities and Short Term Bank Facilities respectively.

## **Particulars of Employees**

In accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 information regarding employees is annexed as Annexure-A to this report.

## **Extracts of Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, Extracts of Annual Return in the prescribed form MGT-9 is annexed as an integral part of this report as Annexure-B.

## Meetings of the Board of Directors

During the financial year under review Six (6) meetings of the Board of Directors were duly convened, details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

## Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars pursuant to Section 134(3)(m) of Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 to the extent applicable are as under:

### (A) Conservation of energy-

- i. Company has been continually working on energy conservation and has taken and implemented various measures towards this in production, domestic lightning and cooling facilities. Company has installed significant numbers of powerless turbo ventilators in the entire working shed for ventilation using 'zero' power. Building have been designed for ingress of adequate natural light thus requiring no artificial lightning during the day time. Many provisions have been made in various machines for consuming energy, during processing line losses has been maintained close to 'zero' by adequate design of cables and other systems.
- ii. No step has been taken by the Company for utilization of alternate source of energy. However, Company at its non-conventional energy division generate electricity by wind energy and transfer the same to power grids.
- iii. Company has invested Rupees Three Lakhs, and on proposals for power generation for captive consumption at its reclaim rubber plant through solar route.

### (B) Technology absorption-

i.	The efforts made towards technology absorption	:	It's a continual process and the drive for reaching and adapting new technology is always under progress.
ii	The benefits derived like production improvement, cost reduction, product development or import substitution	:	Performance improvement is a continual process with respect to productivity, delivery, quantity cost and safety. Company is regularly following this and each department has set its own objective for performance improvement, which is closely monitored and regulated. With continued improvement in technology our production rate has been improved.
iii	In case imported technology (imported during last 3 years reckoned from the beginning of the financial year)-		
a)	The details of technology imported	:	Company is using imported machines in its reclaimed rubber division.
b)	The year of import	:	2013
c)	Whether technology been fully absorbed	:	Yes
d)	Research and developments	:	The company seeks regular technical support from experts in this field and undertake appropriate R & D activities depending upon future requirements.

### (C) Foreign exchange earnings and Outgo

The details of the foreign exchange exposure during the period under review are as under:

(Amount in Lakhs)

Particulars	Current year	Previous year
Total Foreign Exchange Earnings	Nil	Nil
Total Foreign Exchange Outgo	1.71	0.62

## **Vigil Mechanism/ Whistle Blower Policy**

Pursuant to the requirement of the Companies Act, 2013, the Company has established vigil mechanism/ whistle blower policy. Section 177 of the Companies Act, 2013 which inter-alia provides for a requirement to establish a mechanism for all the Directors and employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

Accordingly, the Mechanism is established to provide adequate safeguards against victimization of persons who use such mechanisms. Whistle blower Policy is available on Company's website.

## **Prevention of Sexual Harassment at Workplace**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. The Directors of the Company state that during the year under review there was no case filed pursuant to sexual harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **Material Changes and Commitments**

No material changes and commitments, affecting the financial position of the Company has been occurred between the end of the financial year 2015-16 and till the date of this report.

## **Statutory Orders**

No significant and material orders were passed by Courts, Tribunals and other Regulatory Authorities affecting the going concern status of the Company's operations.

## **Management Discussion and Analysis Report**

In terms of Regulation 34 of SEBI (LODR) Regulations, 2015, Management Discussions and Analysis Report is appended to this Board's Report as Annexure-C.

## **Corporate Governance**

The Company is committed to maintain the good standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company continues to benchmark its corporate governance policies in its true sense. The report on Corporate Governance as stipulated under the Listing Regulations forms an integral part of this report as Annexure-D. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is annexed to the report on Corporate Governance.

## **Acknowledgements**

We place on record our appreciation to employees at all level for their contribution, dedication and commitment. The Board take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities for their support, and look forward for their continued support in the future.

Date: 13<sup>th</sup> August, 2016

Place: New Delhi

For and on behalf of the Board of

**S. E. Power Ltd.**

**Sd/-**

**Dr. Arun Gopal Agarwal**

Chairman

(DIN 00374421)



## REMUNERATION OF DIRECTORS/EMPLOYEES

[Disclosure as per Section 197(12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

S. No.	Details	Mr. Ravindra Agrawal (MD)	Mr. Nikhil Bansal (CFO)	Mr. Manendra Singh (CS)
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	2.57:1	3.71:1	3.66:1
2.	Percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in financial year	--	18.46%	23.44%
3.	Percentage increase in the median remuneration of employees in the financial year	9.38 %		
4.	The number of permanent employees on the rolls of Company	61 Employees (including workers)		
5.	Average percentile increase already made in the salaries of employees other than the 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.	<p>Managerial Remuneration increased by 20.95% over previous year as against Employees remuneration increased by 7.65% over the previous year figure.</p> <p>The increase in remuneration was in line with the industrial standards and individual employee performance.</p> <p>There is no exceptional circumstance for increase in the managerial remuneration.</p> <p>The remuneration paid as above was as per the Remuneration Policy of the Company</p>		
6.	Name of top ten employee in terms of remuneration drawn	Mr. Sanjeet Rath, Mr. Ambrish Bedade, CA Nikhil Bansal, CS Manendra Singh, Mr. Ravindra Agrawal, Mr. Pawan Mangal, Mr. Neet Pal Singh, Mr. H V Godhani, Mr. Rasiklal Patel, Ms. Kajal Arora		
7.	Name of every employee of the company, who have remuneration more than 8.50 lakh in month and 120 lakh in year	Nil		
8.	Name of every employee of the company, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company	Nil		

Date: 13<sup>th</sup> August, 2016  
Place: New Delhi

For and on behalf of the Board of  
**S. E. Power Ltd.**  
Sd/-  
**Dr. Arun Gopal Agarwal**  
Chairman  
(DIN 00374421)

# FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

As on 31<sup>st</sup> March, 2016

[Pursuant to Section 92(1) of the Companies Act, 2013 and rules made thereunder]

## I. Registration and Other Details:

i)	CIN	:	L40106GJ2010PLC091880
ii)	Registration Date	:	11 <sup>th</sup> August, 2010
iii)	Name of the Company	:	S. E. Power 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	:	Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat) Phone: + 91 2667 251566 E-mail: cs@sepower.in
vi)	Whether listed company	:	Equity Shares of the Company Listed on i) BSE Limited ii) National Stock Exchange of India Limited
vii)	Name, Address and contact details of Registrar & Share Transfer Agent (RTA)	:	Alankit Assignments Limited Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi-110055 Email - info@alankit.com Tel No. - +91 1142541234

## 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:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Generation of Energy through Non-Conventional Sources	Class 3510	19.14
2.	Manufacturing of Reclaimed Rubber	Class 2219	80.86

\* Clarification code as per National Industrial Classification (NIC) 2008

## III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	M/s Shubham Electrochem Ltd.	U34301DL1988PLC033788	Subsidiary	100%	87(ii)

## IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

### (a) Category-wise Share Holding for the year ended 31<sup>st</sup> March, 2016

Category of Shareholders Demat	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a. Individual/HUF	73,78,640	-	73,78,640	18.17	65,18,640	-	65,18,640	16.05	(2.12)
b. Cent. Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	31,05,866	-	31,05,866	7.65	39,65,866	-	39,65,866	9.77	(2.12)
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total- A(1)</b>	<b>1,04,84,506</b>	<b>-</b>	<b>1,04,84,506</b>	<b>25.82</b>	<b>1,04,84,506</b>	<b>-</b>	<b>1,04,84,506</b>	<b>25.82</b>	<b>-</b>
<b>(2) Foreign</b>									
a. NRI-Individual	-	-	-	-	-	-	-	-	-
b. Other Individual	-	-	-	-	-	-	-	-	-
c. Body Corp.	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any	-	-	-	-	-	-	-	-	-
<b>Sub Total- A (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total SH of Promoter (1+2)</b>	<b>1,04,84,506</b>	<b>-</b>	<b>1,04,84,506</b>	<b>25.82</b>	<b>1,04,84,506</b>	<b>-</b>	<b>1,04,84,506</b>	<b>25.82</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>(1) Institution</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/ FI	2,00,000	-	2,00,000	0.49	2,00,000	-	2,00,000	0.49	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIIs/FPIs	72,37,019	-	72,37,019	17.82	72,37,019	-	72,37,019	17.82	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Other	-	-	-	-	-	-	-	-	-
Share issued to Custodian for GDRs of Demerged Company	1,58,88,591	-	1,58,88,591	39.13	-	-	-	-	(39.12)
<b>Sub-Total-B (1)</b>	<b>2,33,25,610</b>	<b>-</b>	<b>2,33,25,610</b>	<b>57.44</b>	<b>74,37,019</b>	<b>-</b>	<b>74,37,019</b>	<b>18.31</b>	<b>(39.12)</b>
<b>(2) Non- Institution</b>									
a. Body Corp.	-	-	-	-	-	-	-	-	-
b. Indian	45,02,405	-	45,02,405	11.09	44,53,692	-	44,53,692	10.97	(0.12)
c. Overseas	-	-	-	-	1,58,88,591	-	1,58,88,591	39.12	39.12
d. Individual	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	12,36,495	33,406	12,69,901	3.13	12,97,202	33,406	13,30,608	3.28	0.15

ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9,23,239	-	9,23,239	2.27	9,47,256	-	9,47,256	2.33	0.06
e.	Other									
i.	Non Resident Indian	39,872	-	39,872	0.10	30,552	-	30,552	0.08	(0.02)
ii.	Clearing Member/ Broker/ Margin Trading	64,467	-	64,467	0.16	37,776	-	37,776	0.09	(0.07)
	<b>Sub-Total-B (2)</b>	<b>67,66,478</b>	<b>33,406</b>	<b>67,99,884</b>	<b>16.75</b>	<b>2,26,55,069</b>	<b>33,406</b>	<b>2,26,88,475</b>	<b>55.87</b>	<b>39.12</b>
	<b>Total SH of Public (other than GDRs) (1+2)</b>	<b>3,00,92,088</b>	<b>33,406</b>	<b>3,01,25,494</b>	<b>74.18</b>	<b>3,00,92,088</b>	<b>33,406</b>	<b>3,01,25,494</b>	<b>74.18</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	<b>Total SH issued against GDRs C</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B+C)</b>	<b>4,05,76,594</b>	<b>33,406</b>	<b>4,06,10,000</b>	<b>100.00</b>	<b>4,05,76,594</b>	<b>33,406</b>	<b>4,06,10,000</b>	<b>100.00</b>	<b>-</b>

## (b) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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.	Mr. Purushottam Agrawal	2,82,000	0.69	-	-	-	-	(0.69)
2.	Mr. Sunil Agarwal	12,20,000	3.00	-	-	-	-	(3.00)
3.	Mr. Sachin Agarwal	10,82,240	2.66	-	30,89,240	7.61	-	4.95
4.	Mr. Harish Singh	500	0.00	-	-	-	-	0.00
5.	Mrs. Raj Agarwal	9,23,300	2.27	-	-	-	-	(2.27)
6.	Mr. Shantanu Agarwal	12,55,700	3.09	-	-	-	-	(3.09)
7.	Ms. Suniti Agarwal	2,50,800	0.62	-	-	-	-	(0.62)
8.	Mrs. Shikha Agarwal	15,04,100	3.70	-	34,29,400	8.44	-	4.74
9.	P. N. Agarwal & Sons (HUF)	8,60,000	2.12	-	-	-	-	(2.12)
10.	Spring Infradev Ltd.	4,97,080	1.22	-	4,97,080	1.22	-	-
11.	S. E. Micro Housing Finance Pvt. Ltd.	10,35,000	2.55	-	10,35,000	2.55	-	-
12.	Gajodhari Chemicals Pvt. Ltd.	61,756	0.15	-	61,756	0.15	-	-
13.	Agrim Marketing Pvt. Ltd.	91,000	0.22	-	91,000	0.22	-	-
14.	Baba Herbals Pvt. Ltd.	60,800	0.15	-	60,800	0.15	-	-
15.	Diamond Infradev Pvt. Ltd.	1,10,000	0.27	-	1,10,000	0.27	-	..-

16.	Bhavya Electronics and Networks Pvt. Ltd.	62,608	0.15	-	62,608	0.15	-	-
17.	Superteck Printing Pvt. Ltd	11,87,622	2.92	-	20,47,622	5.04	-	2.12
	<b>Total</b>	<b>1,04,84,506</b>	<b>25.82</b>	<b>-</b>	<b>1,04,84,506</b>	<b>25.82</b>	<b>-</b>	<b>-</b>

### (c) Change in Promoters' Shareholding

There was no change in aggregate shareholding of promoter group during the year. Only inter-se transfer of equity shares among the promoter group has taken place during the year.

S. No.	Name of Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date wise increase/decrease in Shareholding		Cumulative shareholding during the year	Shareholding at the end of the year (31.03.2016)	
		No. of Shares	%				No. of Shares	%
1.	Mr. Purushottam Agrawal	2,82,000	0.69	Shares	(2,82,000)	0	0	0.00
				Date	29-Jun-15			
				Reason	inter-se transfer between promoters			
2.	Mr. Sunil Agarwal	12,20,000	3.00	Shares	15,06,500	27,26,500	0	0.00
				Date	21-Aug-15			
				Reason	inter-se transfer between promoters			
				Shares	(27,26,500)	0		
				Date	28-Aug-15			
				Reason	inter-se transfer between promoters			
3.	Mr. Sachin Agarwal	10,82,240	2.66	Shares	500	1082740	30,89,240	7.61
				Date	07-Jul-15			
				Reason	inter-se transfer between promoters			
				Shares	20,06,500	30,89,240		
				Date	28-Aug-15			
				Reason	inter-se transfer between promoters			
4.	Mr. Harish Singh	500	0.00	Shares	(500)	0	0	0.00
				Date	07-Jul-15			
				Reason	inter-se transfer between promoters			

5.	Mrs. Raj Agarwal	9,23,300	2.27	Shares	(9,23,300)	0	0	0.00
				Date	26-Jun-15			
				Reason	inter-se transfer between promoters			
6.	Mr. Shantanu Agarwal	12,55,700	3.09	Shares	(12,55,700)	0	0	0.00
				Date	21-Aug-15			
				Reason	inter-se transfer between promoters			
7.	Ms. Suniti Agarwal	2,50,800	0.62	Shares	(2,50,800)	0	0	0.00
				Date	21-Aug-15			
				Reason	inter-se transfer between promoters			
8.	Mrs. Shikha Agarwal	15,04,100	3.70	Shares	9,23,300	24,27,400	34,29,400	8.44
				Date	26-Jun-15			
				Reason	inter-se transfer between promoters			
				Shares	2,82,000	27,09,400		
				Date	29-Jun-15			
				Reason	inter-se transfer between promoters	34,29,400		
				Shares	7,20,000			
				Date	28-Aug-15			
Reason	inter-se transfer between promoters							
9.	P. N. Agarwal & Sons (HUF)	8,60,000	2.12	Shares	(8,60,000)	0	0	0.00
				Date	03-Jul-15			
				Reason	inter-se transfer between promoters			
10.	Superteck Printing Pvt. Ltd	11,87,622	2.92	Shares	8,60,000	20,47,622	20,47,622	5.04
				Date	03-Jul-15			
				Reason	inter-se transfer between promoters			

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

S. No.	Name of Top 10 Shareholder	Shareholding at the beginning of the year (01.04.2015)		Date wise increase/decrease in Shareholding		Cumulative shareholding during the year	Shareholding at the end of the year (31.03.2016)	
		No. of Shares	%				No. of Shares	%
1.	M/s Auctor Investments Limited	0	0.00	Shares	37,95,504	37,95,504	37,95,504	9.35
				Date	28-Aug-15			
				Reason	Purchase			
2.	M/s Heshika Growth Fund	0	0.00	Shares	37,95,504	37,95,504	37,95,504	9.35
				Date	28-Aug-15			
				Reason	Purchase			
3.	M/s Plutus Terra India Fund	0	0.00	Shares	37,43,581	37,43,581	37,43,581	9.22
				Date	28-Aug-15			
				Reason	Purchase			
4.	M/s Antara India Evergreen Fund Ltd	0	0.00	Shares	33,46,493	33,46,493	33,46,493	8.24
				Date	28-Aug-15			
				Reason	Purchase			
5.	M/s Davos International Fund	29,29,449	7.21	Shares	---	29,29,449	29,29,449	7.21
				Date	---			
				Reason	---			
6.	M/s Elara India Opportunities Fund Limited	21,44,704	5.28	Shares	---	21,44,704	21,44,704	5.28
				Date	---			
				Reason	---			
7.	M/s Kuvera Fund Limited	16,29,760	4.01	Shares	---	16,29,760	16,29,760	4.01
				Date	---			
				Reason	---			
8.	M/s Krishna Human Resource Management Pvt. Ltd.	13,86,000	3.41	Shares	---	13,86,000	13,86,000	3.41
				Date	---			
				Reason	---			
9.	M/s Sparrow Asia Diversified Opportunities Fund	0	0.00	Shares	12,07,509	12,07,509	12,07,509	2.97
				Date	30-Oct-15			
				Reason	Purchase			
10.	M/s Antara India Evergreen Fund Ltd	4,75,615	1.17	Shares	---	4,75,615	4,75,615	1.17
				Date	---			
				Reason	---			

## (e) Shareholding of Directors and Key Managerial Personnel:

Directors and Key Managerial Personnel of the Company did not hold shares in the Company during the financial year.

## V. Indebtedness

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

(Rs. in Lakhs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	2,678.75	1,479.20	-	4,157.95
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		<b>2,678.75</b>	<b>1479.20</b>	<b>-</b>	<b>4,157.95</b>
<b>Change in Indebtedness during the financial year</b>					
i)	Addition	-	899.00	-	899.00
ii)	Reduction	318.86	-	-	318.86
<b>Net Change</b>		<b>318.86</b>	<b>899.00</b>		<b>580.14</b>
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	2,359.89	2,378.20	-	4,738.09
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		<b>2,359.89</b>	<b>2,378.20</b>	<b>-</b>	<b>4,738.09</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Mr. Ravindra Agrawal (Managing Director)	Total Amount
1.	Gross salary (Per Annum)		
i)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.40	5.40
ii)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
iii)	Profits in lieu of salary under	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others	-	-
	<b>Total</b>	<b>5.40</b>	<b>5.40</b>
	<b>Total (A)</b>		<b>5.40</b>
	Ceiling as per the Act	Above remuneration to Managing Director is paid as per Schedule V of the Companies Act, 2013	



## B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Director			Total
		Mr. Rupinder Singh	Mrs. Anshu Gupta	Mr. Dharam Vir Gupta	
1.	<b>Independent Directors</b>	Mr. Rupinder Singh	Mrs. Anshu Gupta	Mr. Dharam Vir Gupta	
	Fee for attending board committee meeting	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others,	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2.	<b>Other Non-Executive Director</b>	Dr. Arun Gopal Agarwal			
	Fee for attending board committee meeting		Nil		Nil
	Commission		Nil		Nil
	Others		Nil		Nil
	<b>Total (2)</b>		<b>Nil</b>		<b>Nil</b>
	<b>Total (B) =(1+2)</b>				
<b>Total Managerial Remuneration= A+B</b>					<b>5.40</b>
Remuneration paid to directors is as per the provisions of Companies Act, 2013					

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs. in Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Manendra Singh (CS)	Mr. Nikhil Bansal (CFO)	Total
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7.68	7.80	15.48
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	<b>Total</b>	<b>7.68</b>	<b>7.80</b>	<b>15.48</b>

## VII. Penalties/Punishment/Compounding of Offences:

S. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment compounding fee imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any
A.	Company Penalty Punishment Compounding			None		
B.	Directors Penalty Punishment Compounding			None		
C.	Other Officers in Default Penalty Punishment Compounding			None		

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Industry Structure and Development

The rubber product manufacturing industry in India is basically divided into two major sectors: tyre and non-tyre. The tyre sector produces all types of automotive and non-automotive tyres whereas the non-tyre sector produces high technology and sophisticated products and comprises the medium scale, small scale and tiny units. Till the financial year ended in 2005 (as source collected from "Rubber Board") there were approx. 4800 rubber based product manufacturing units comprising 30 large scale, 300 medium scale and around 4470 SSI and tiny sector units, employing eight lakh people, including around 42000 technically qualified support personnel, with a turnover of 600 billion rupees and contributing 100 billion rupees to the National Exchequer through taxes, duties and other levies, thus rubber product industry plays a core sector role in the Indian national economy.

India is currently the sixth largest producer; second largest consumer of natural rubber in the world. Besides, India is the world's largest manufacturer of reclaim rubber. This envisages tremendous growth pockets of the industry in the years to come as India is far from attaining any saturation level, so far as consumption of rubber products is concerned.


Since the establishment of the first rubber products manufacturing unit in 1921, the Indian rubber products manufacturing industry has undergone remarkable growth and expansion, particularly during the post-independence era. It has achieved overall development by increasing its size, spatial distribution, technological sophistication and more prominently the wide range of products manufactured.

The use of rubber in so many applications results in a growing volume of rubber waste. With the increase in demand, the manufacturing and use of rubber and the rubber products has increased tremendously both in the developed and developing countries. About 242 million tyres are discarded every year in the United States alone. Less than 7 percent are recycled. 11 percent are incinerated for their fuel value and another 5 percent are exported. The remaining 78 percent are either landfilled, or are illegally dumped. According to a recent report of the Environmental Protection Agency (EPA), this has resulted in a national stockpile of over 4 billion waste tyres. But with the decreasing scope of available sites and due to the corresponding cost explosion this process of waste rubber disposal is no longer feasible. Land filling with waste tyre is also unwanted due to environmental problems.

One of the various problems which mankind faces is the problem of waste disposal management. Since polymeric materials do not decompose easily, disposal of waste polymers poses serious environmental problem. In comparison to that reclaimed rubber is the product resulting when waste vulcanized scrap rubber is recycled to produce useful material which can be easily processed, compounded and vulcanized with or without the addition of fresh polymer.

Different types of reclaimed rubber is produced out of scrap of different types of rubber products. Tyre reclaim is the most common which is produced from waste tyres.

Though the properties of reclaimed rubber are not close to that of virgin rubber yet reclaimed rubber is used by rubber product manufacturers for quality as well as cost benefit. China is the largest reclaim rubber producer in the world and India being next to them with manifold difference in production output. There has been continual technological development in reclaim rubber process during last few decades and it is continuing to result into making reclaim rubber, a product of interest by its users. There has been continual up-gradation of product properties by way of technology, thus narrowing the gap in the properties of virgin and reclaim rubber. In addition to this, use of reclaim rubber helps in environment conservation by limiting the usage of virgin polymer and land fill by waste tyres.



Reclaim Rubber industry has high growth potential for many decades as generation of waste tyres will continue with the rapid increase in vehicle population and also reclaim rubber properties enhancement. Tyre sector though being the largest consumer of reclaim rubber, other products such as belts also offer high volume for its consumption.

In addition to reclaim rubber processed from recycling of waste tyres, rubber crumb & granules are other emerging products coming from waste tyres. Recycled rubber is also used for making many other products such as rubber mats, rubber tiles and sports tracks and its consumption is increasing for such products. Technological development for producing products using blend of recycled rubber & plastic offering properties of rubber & plastic both is undergoing internationally and may soon be available on commercial scale.

Further the power generation sector is always a promising sector in India. Worldwide demand for energy is increasing with the increase in world population. One of the renewable source to produce power is wind energy which has become a cost effective source. In India there is a huge potential to generate electricity by various non - conventional resources. India has huge geographical area with quite intense wind velocities in many regions thus making wind power installation a viable proposition.

## **Opportunities and Threats**

Amidst the gloomy landscape of high volatility in the international economic environment, Indian economy stands as a place of stability and opportunity. The country's macro-economy is stable. India's economic growth is amongst the highest in the world, helped by a reorientation of government spending much towards needed public infrastructure.

FDI has been liberalized across the board and vigorous efforts have been undertaken to ease the cost of doing business. Major public investment has been undertaken to strengthen the country's infrastructure. Being the seventh-largest economy in the world measured by nominal GDP and the third-largest by purchasing power parity (PPP), India has very high potential for industrialization. The automobile industry in India is one of the largest in the world with an annual production of 23.37 million vehicles in FY 2014-15, following a growth rate of 8.68 % over the last year and Wind power accounts nearly 8.6% of India's total installed power generation capacity and generated 28,604 million Kwh (MU) in the fiscal year 2015-16 which is nearly 2.5% of total electricity generation. The automobile industry accounts for 7.1 % of country's GDP. As of 31 March 2016 the installed capacity of wind power in India was 26,769 MW, mainly spread across South, West and North regions and further with the growing need of electricity, India has set an ambitious target to generate 60,000 MW of electricity from wind power capacity by 2022 . Growth of automobile/ tyre sector and electricity sector will automatically translate into the growth of reclaimed rubber industry and installation of windmills.

Various initiatives of government for economic reform of the country and growth of automobile industry in country provides opportunities to reclaimed rubber industry to grow. The development of reclaim rubber industry largely depends upon the export of reclaim produce therefore the economic conditions of importing country and currency movement plays a crucial role. Good growth of our Company largely depends on export of company's product and position of company's product in the domestic as well as international market among the products of other reclaim rubber manufacturer in the industry. However, the rubber price in the domestic and international market have been moving abruptly throughout the year.

And because of which, on one hand there is a paradigm shift of quality users for using higher proportion of consistent and high quality reclaim rubber and at the same time, on the other hand, the price differential between virgin polymer and reclaim rubber has reduced significantly thus making it less attractive to use reclaim rubber. Main reason for fall in rubber prices were moderate economic growth in China, slow recovery in the US and Europe, enhanced stock in Thailand, increase in world stock of natural rubber and significantly low oil prices. This fall down of natural and synthetic rubber prices suppressed the use of reclaimed rubber by rubber products manufacturers.

## Segment-Wise or Product-Wise Performance

The Company is engaged in two segments viz. generation of energy through non-conventional sources and production of reclaimed rubber. During FY 2015-16, non-conventional energy division has 19.14% and reclaimed rubber division has 80.86% share in total revenue of the Company as under:

Amount in lakhs

Segment Revenue:	31-Mar-16	31-Mar-15
Non-Conventional Energy Division	181.63	199.21
Reclaimed Rubber Division	767.38	353.58
Total	949.01	552.79

The Company has succeeded in supplying on regular basis reclaimed rubber products of unparalleled quality parameters in bulk quantities to many customers in various product segments thus surpassing the objectives set during the preceding year. This has been possible due to the systems and processes encompassing raw materials management, various production processes, quality assurance, sales and marketing, maintenance management, human resources management and development, environment, health and safety, etc.

Having established itself as a supplier for crumb rubber for various applications during FY 14-15, the Company earned the status of preferred vendor for reclaim rubber to brands of repute in different product segments during FY 2015-16.

## Outlook

Six years after the world economy emerged from its broadest and deepest postwar recession, a return to robust and synchronized global expansion remains elusive. Global activity is projected to gather some pace in 2016-17. In advanced economies, the modest recovery that started in 2014 is projected to strengthen further. Despite various negative factors, it is expected that better years to come in terms of demand of reclaim rubber. Low natural and synthetic rubber price is the main hurdle for growth of reclaim rubber industry. However, growth of automobile /tyre industry expected to have a positive impact on the reclaim rubber industry.

Pursuant to company's philosophy, Company is focusing on consistent quality, physical properties of reclaim rubber to facilitate its higher loading in compound. The Company continues to supply REACH compliant products by way of revalidation of its certificate and Company's quality management system is in compliance with ISO 9000:2008 standards.

However, India needs to substantially bridge the gap between the demand and supply of electricity for sustained economic growth and on top of that supply of electricity from renewable sources is the need of the Economy. Therefore to explore the need of renewal power sector, the Company has established a project for deriving energy from renewable source.

Further, to improve the quality of Company's product, various step have also been taken by the Company through R&D in consultation with experts and academic institutions. Company is using upgraded technologies to produce better quality product.

The Company has gradually and steadily marched ahead to be an approved and preferred vendor for leading players in automotive tyres, conveyor belts and transmission belts industries and continues to associate itself with several manufactures in other segments. Discussions with dealers in high selling areas are underway and in advanced stages to cater to mid-size but quality driven customers. Further, Company is continuously evaluating the available opportunities for its growth through continual market

mapping initiatives. The opportunities in the industry would help the Company to amplify its business and revenue.

## **Risk Management/Risk and Concern**

Risks are those events with the potential to have a significant negative impact on the Company and Risk Management is a set of activities to mitigate the impact of certain risks and to ensure the best possible outcome after the event and/or achieve the most predictable consequences.

Risk management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

For effective risk management, the management of the Company have strategic focus, proactive approach, forward thinking and a system of setting of priorities to use available resources.

The following key risks are identified for the Company's business:

### **Low Price of Competitive Products**

Fall in natural rubber, relatively low oil price and hence low synthetic rubber price are the key factors behind low usage of reclaimed rubber by rubber product manufacturers. To mitigate this risk, Company is continuously taking steps for reduction of cost of its products by higher capacity utilization, increasing volume and economies of scale.

### **Financial Risk**

The Company is subject to financial risks, on account of credit facility availed or given by the Company. The Company has availed credit facility from Bank for its business purpose, which have fixed financial charges and on the other side Company provides credit facility to its customers that facility have the risks of delay payment or default in payment. These kind of risks are mitigated by putting controls in place to liquidity management and advance payment and/or Bank guarantee and continues follow-up.

### **Environment and Safety Risk**

The Company's reclaimed rubber manufacturing plant is subject to environmental and safety risks. Besides adhering to the applicable laws for environmental protection, company has taken various step to mitigate this risk that includes company's environment management system certification in compliance with ISO 14001:2004. Company is targeting for OHSAS certification for occupational health & safety management. The Management of the Company checks the safety measures at regular intervals to ensure the safety of the people, assets, environment and products.

### **Risk due to Technology upgradation**

Rapid upgradation in technology is also a matter of concern. On one side, new technology would increase productivity and hence profitability, on the other side this change has obsolete the existing technology in which Company has made huge investments. However to stay in market Company has to adopt new technologies. Sometime this process of migrating to the new technology is cumbersome and time consuming. This would also mean the business would loose on the critical time factor. To mitigate this risk factor, technology upgradation is the defined objective of company's risk management strategy.

### **Risks from Frauds and Errors**

Risks related to frauds and errors are controlled and mitigated though internal audits and various checks on every level of transactions.

### **Risks Associated with Policies of Government**

Change in Government policies may affect the Company's various financial and other decisions.

## Internal Control Systems and Their Adequacy

The Company has implemented a comprehensive system of internal controls which is commensurate to the size and nature of business and complexity of operations. The Company strives to maintain a dynamic system of internal control and procedures including implementation of ERP based MIS in all processes including control over financial reporting which is designed to ensure reliable record-keeping, transparent financial reporting and disclosure and protection of physical as well as intellectual property. Audits are led by professional internal auditors and supported by experienced personnel drawn from across the organization. They provide reports on various activities covering observations and pertinent comments on adequacy of internal controls and their recommendations. The management judiciously reviews and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

The Company has adequately designed communication network to support its business activities. Its manufacturing facilities endorse the highest health, safety, security and environmental standards and at the same time maintains operational efficiency.

## Discussion on Financial Performance with Respect to Operational Performance

The country's macro-economy is stable, founded on the government's commitment to fiscal consolidation and low inflation. The India's economic growth is amongst the highest in the world, helped by a reorientation of government spending toward needed public infrastructure. Describing these achievements as remarkable, the task is now to sustain them in an even more difficult global environment.

SEPOWER is carrying on its operation with the philosophy of conservation of natural resources by way of power generation through non-conventional sources and converting waste into useable materials. By conservation of natural resources using latest technology, we intend to enhance sustainable industrial growth & harmonious environment protection. In light of operation performance, the following table exhibits, in summary, the financial performance of the Company for the FY 2015-16:

Key Parameters	2015-16	2014-15
Turnover (Rs. Lakhs)	949.01	552.79
Total Income (Rs. Lakhs)	959.54	564.63
Profit after Tax (Rs. Lakhs)	(247.23)	(348.29)
EPS (Rs.)	(0.61)	(0.86)
Book Value of Share (Rs.)	10.02	10.63
Revenue from Operation/ Share (Rs.)	2.33	1.36
PBDIT/Share (Rs.)	0.17	0.22
Current Ratio	1.12	1.20
Growth in revenue over previous year (%)	69.94	49.63%

During the FY 2015-16, the Company's EBIDT stood at Rs. 70.44 lakhs in comparison to Rs. 87.81 lakhs, which decreased by 19.79 %. The profit after tax for the year 2015-16 was Rs. (247.23) as against the profit after tax for the year 2014-15 Rs. (348.29).

During the year under review, Company has succeeded in supplying on regular basis products of unparalleled quality parameters in bulk quantity. Company is enhancing its customer reach in the various product segments through extending range of products.

## Human Resource Development and Industrial Relations

Our Company has 61 employees as on 31st March, 2016 as against 50 employees as on 31st March, 2015. Company has laid and evolved training calendar for all levels of employees including the gross

root kind based on the assessment of their training needs by undertaking competence matrix and skill matrix analysis. There is very strong and regular performance review and feedback system for all levels of HR. The Company is also committed to create an open and transparent organization that is focused on fostering an environment that enables its human asset to deliver superior performance.

The HR policy acts as an effective lever for driving the Company's strategic initiatives and helps in integrating and aligning all people practices to Company's business priorities.

### **Cautionary Statement**

Statements in the management discussion and analysis describe the Company's objectives, projections, estimates, expectations which may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Factors that could make a difference to the Company's operations, inter-alia, include the economic conditions, government policies and other related/incidental factors.

The Company assume no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

Date : 13th August, 2016

Place : New Delhi

For and on behalf of the Board of  
**S. E. Power Limited**

**Sd/-**  
**Ravindra Agrawal**  
Managing Director  
(DIN:01836312)

**Sd/-**  
**Dr.Arun Gopal Agarwal**  
Chairman  
(DIN 00374421)



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is most often viewed as both the structure and the relationships which determines corporate direction and performance. Corporate Governance is the commitment of an organization to follow ethics, fair practices and transparency in all its dealing with its various stakeholders such as Customers, Employees, Investors, Government and the Society at large. Sound Corporate Governance is the result of external market place commitment and legislation plus a healthy board culture which directs the policies and philosophy of the organization. Our Company is committed to good Corporate Governance in all its activities and processes.

Corporate Governance rightly continues to remain a prevailing area of shareholder focus. At SEPOWER, good governance is an integral part of how we do business. We have a well-established corporate governance framework to facilitate effective and prudent management while supporting the strategic delivery of our objectives. The Board provides clear strategic direction to and oversight management who act within the limits of the authority delegated to them by the Board.

### Company's philosophy on Corporate Governance

We at SEPOWER believe that corporate governance is more than compliance to regulatory requirements as there exists a fundamental link with the business of organisation commitment to values. As a responsible organisation, we follow these principles to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices to ensure timely and accurate disclosure of information regarding our financial performance and corporate governance of the Company.

Our corporate governance philosophy is based on the following principles:

- ✓ Make a clear distinction between personal conveniences and corporate resources.
- ✓ Be transparent and ensure timely and balance disclosure of all material information concerning the Company, to all its stakeholders.
- ✓ Satisfy the spirit of the law and not just the letter of the law.
- ✓ Corporate Governance standards should go beyond the law.
- ✓ Communicate externally, in a truth full manner, about how the Company is running internally.
- ✓ Have a simple and transparent corporate structure driven solely by business needs.
- ✓ The Management is the trustee of the shareholders' capital and is not the owner.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance and Board of Directors of the Company (the Board) understand their duties towards the stakeholders and work in the furtherance of the true spirit of being "Trustees".

The disclosures as required under the Listing Regulations are as under:

### Board of Directors

#### Composition of the Board

The effectiveness of the Board is instrumental in delivering the long-term success to the Company. The Board of the Company along with its Committees provides guidance to manage, supervise and control

the performance of the Company. At present, the Board of the Company comprises of five Directors that includes majority of Independent Directors and Chairman of the Company is Non-Executive Director. None of the Director of the Company belongs to promoter group.

None of the Directors on the Board is a member in more than 10 Committees and Chairman of more than 5 Committees (as prescribed in Listing Regulations), across all the companies in which he/she is a Director. The necessary disclosures regarding Committees position have been made by the Directors.

The details regarding the composition of the Board of Directors, category of the Directors, their attendance at the Board Meeting held during the year under review and also last Annual General Meeting, the numbers of directorship and Committee Chairmanship/ Membership held by them in other public companies and their shareholding as on 31<sup>st</sup> March, 2016 are as follows:

DIN	Name & Designation of the Director	Category of Directorship	No. of Shares held in the Company as on 31 <sup>st</sup> March, 2016	No. of Board Meeting held during the tenure of Director in FY 2015-16	No. of Board Meeting attended by Director during the FY 2015-16	Attendance at 5 <sup>th</sup> Annual General Meeting of the Company	No. of Directorship held in other Public Companies#	Committees position in other Public Companies*	
								As Member	As Chairman
01836312	Mr. Ravindra Agrawal (Managing Director)	Executive	Nil	6	6	Yes	1	Nil	Nil
00374421	Dr. Arun Gopal Agarwal (Chairman)	Non-Independent, (Non-Executive)	Nil	6	6	Yes	3	Nil	1
02992934	Mr. Rupinder Singh <sup>1</sup> (Director)	Independent, (Non-Executive)	Nil	6	6	Yes	4	2	2
06942076	Mrs. Anshu Gupta (Director)	Independent, (Non-Executive)	Nil	6	6	Yes	2	2	1
01639124	Mr. Dharam Vir Gupta (Director)	Independent, (Non-Executive)	Nil	6	5	Yes	1	Nil	Nil

**Note:**

# Includes Private Limited Company(ies) which is subsidiary of Public Limited Company.

\* Includes only Audit and Stakeholder Relationship Committees.

1 Mr.Rupinder Singh ceased to be the Director of the Company w.e.f. 27<sup>th</sup> May, 2016, and Mr. Diwan Chand Arya having DIN 05164932 has been appointed as Additional Director (Ind+ependent) on 27<sup>th</sup> May, 2016.

There are no inter-se relationships between the Board members of the Company.

During the financial year 2015-16 Six (6) Board Meetings were held and gap between two meetings was not exceed 120 days. The dates on which the said meetings were held are as follows:

04<sup>th</sup> May, 2015; 28<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 25<sup>th</sup> August, 2015; 07<sup>th</sup> November, 2015 and 06<sup>th</sup> February, 2016. The Board periodically reviews and discussed the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

During the financial year 2015-16, there was one separate meeting of Independent Director held on 15<sup>th</sup> March, 2016 to review the performance of Non- Independent Directors and the Company and other matters as required to be transacted as per applicable laws.

### **Code of Conduct for Directors & Senior Management**

The Company has in place a comprehensive separate Code of Conduct for Directors and Senior Management personnel of the Company. All Board Members and Senior Management personnel have affirmed compliance with their respective Code of Conduct. The Managing Director has also confirmed and certified the same.

### **Board Supervised Committees**

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. Each Committee of the Board functions according to its role and defined scope. In accordance with the Companies Act, 2013 and Listing Regulations as applicable on the Company and for better governance, the Company has four committees namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. The details of committees are as follows;

#### **1. Audit Committee**

The Audit Committee of the Company has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. The role and power of the Audit Committee are governed by the Companies Act and Listing Regulations and primarily includes following responsibilities and functions:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of statutory auditors.
- Approving payment to statutory auditors, for any other services rendered by them.
- 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.
- Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee is entrusted with following powers;
  - To investigate any activity within its terms of reference.
  - To seek information from any employee.

- To obtain outside legal and other professional advice.
- To secure attendance of outsiders with relevant expertise, if considered necessary.

### Meeting and Composition of Audit Committee

The Audit Committee met Four (4) times during the year under review on 27<sup>th</sup> May, 2015; 13<sup>th</sup> August, 2015; 07<sup>th</sup> November, 2015 and 06<sup>th</sup> February, 2016.

Composition of Audit Committee and attendance of each member during the period under review are as follows:

S. No.	Name of the Director	Designation	Committee Meetings during the year under review	
			Held during the tenure	Attended
1	Mrs. Anshu Gupta	Chairperson	4	4
2	Dr. Arun Gopal Agarwal	Member	4	4
3	Mr. Rupinder Singh	Member	4	4

The Chairperson of the Audit Committee was present at the Company's 5<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015 to answer the shareholders' queries.

## 2. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in accordance with provisions of 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Approve issue of the Company's duplicate share certificates.
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Registrar and Share Transfer Agent.
- 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.

### Meeting and Composition of Stakeholders Relationship Committee

The Stakeholders Relationship Committee met Four (4) times during the year under review on 27<sup>th</sup> May, 2015; 14<sup>th</sup> August, 2015; 07<sup>th</sup> November, 2015 and 06<sup>th</sup> February, 2016.

Composition of Stakeholders Relationship Committee and attendance of each member during the period under review are as follows:

S. No.	Name of the Director	Designation	Committee Meetings during the year under review	
			Held during the tenure	Attended
1	Mr. Rupinder Singh	Chairman	4	4
2	Dr. Arun Gopal Agarwal	Member	4	4
3	Mrs. Anshu Gupta	Member	4	4

### Compliance Officer

Company Secretary of the Company is designated as Compliance Officer.

## Investor's Complaints Status for Financial Year 2015-16

No. of complaints pending at the beginning of the year	: Nil
No. of complaints received by correspondence during the year ended 31st March, 2016	: Nil
No. of complaints received from BSE	: Nil
No. of complaints received from NSE	: Nil
No. of complaints received from SEBI	: Nil
No. of complaints resolved/replied during the year	: Nil
No. of complaints pending at the end of the year 31 <sup>st</sup> March, 2016	: Nil

We confirm that no complaint remained unattended/ pending for more than 30 days.

There was no share transfer pending for registration for more than 15 days during the year.

## 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with provisions of 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015. The role of the Nomination and Remuneration Committee shall, inter alia, include the following:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing /Whole-time Director(s).
- Reviewing the performance of the Managing / Whole-time Director and recommending to the Board, the quantum of annual increments and annual commission.
- To review such other matters which the Board may from time to time request the Committee to consider, examine, recommend and/or approve.
- The function of the Remuneration Committee includes recommendation of appointment and remuneration of Directors and Managerial Personnel, to the Board.
- Any other functions, as may be specified by the Board from time to time or as required under any other law for the time being in force.

## Meeting and Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee met One (1) time during the year under review on 24<sup>th</sup> August, 2015.

Composition of Nomination and Remuneration Committee and attendance of each member during the period under review are as follows:

S. No.	Name of the Director	Designation	Committee Meetings during the year under review	
			Held during the tenure	Attended
1	Mr. Rupinder Singh	Chairman	1	1
2	Dr. Arun Gopal Agarwal	Member	1	1
3	Mr. Dharam Vir Gupta	Member	1	1

## Nomination and Remuneration Policy

Company has formulated Nomination and Remuneration Policy for its Directors, KMP and Other Employees.

### Remuneration to Directors

No remuneration or commission was paid to any Non-Executive Directors of the Company. Remuneration paid to Managing Director during the year under review is in the consonance with the terms of his appointment as approved by the Shareholders of the Company.

The Nomination and Remuneration Committee reviews and, if required, recommends to the Board the changes in the managerial remuneration. The Nomination and Remuneration Committee review the

remuneration of the managerial personnel on the basis of performance of the managerial personnel on certain defined qualitative and quantitative parameters.

For details pertaining to Managerial Remuneration paid to the Directors during the financial year under review kindly refer disclosure as per Section 197(12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 annexed with Directors' Report.

The Company does not have Employee Stock Option scheme.

#### 4. Risk Management Committee\*

In terms of amended Listing Agreement Company has constituted Risk Management Committee with following term of reference:

- To assist the Board in fulfilling its corporate governance with regard to the identification, evaluation and mitigation of the operational, strategic and external environment risks policies and associated practice of the Company.
- Reviewing and approving risk disclosure statements in any public documents or disclosures.
- Annually review and approve the frameworks, process and practices of the Company related to risk management.
- Risk management Committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in the both ongoing and new business activities.
- Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing actives such as business continuity planning and disaster recovery planning & testing).
- Any other functions, as may be specified by the Board from time to time or as required under any other law for the time being in force.

#### Meeting and Composition of Risk Management Committee

The Nomination and Remuneration Committee met One (1) time during the year under review on 24<sup>th</sup> August, 2015.

Composition of Risk Management Committee and attendance of each member during the period under review are as follows:

S. No.	Name of the Director	Designation	Committee Meetings during the year under review	
			Held during the tenure	Attended
1	Mr. Ravindra Agrawal	Chairman	1	1
2	Dr. Arun Gopal Agarwal	Member	1	1
3	Mr. Rupinder Singh	Member	1	1

\* In terms of Regulation 21 of SEBI (LODR) Regulations 2015, the requirement to constitute Risk Management Committee is applied only on top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year, accordingly the Company is not required to constitute Risk Management Committee. Therefore, the Board of Directors of the Company dissolved the Risk Management Committee in its meeting held on 27<sup>th</sup> May, 2016 and delegate power and duties of Risk Management Committee to Audit Committee.

#### Corporate Ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in both business and corporate interactions. The Company has framed various codes and policies like code of conduct for prevention of insider trading, code of conduct for board of directors and senior management, whistle blower policy which act as guiding principles for carrying business in ethical way.

## Familiarisation Programme for Independent Directors

To make understand the Independent Directors about the Company's culture, organisation structure, Company's business, Board procedure, risk associated with the business of the Company and Company's strategy to manage such risks, appropriate orientation session and meetings with executive personnel have been conducted by the Company. Through meetings and interaction programmes among Senior Management and Non-Executive Directors/Independent Directors Company has made its best efforts to ensure that the Non-Executive Directors/Independent Directors understand their roles, rights and responsibilities in the Company. The Familiarisation Programme for Independent Directors of the Company is available on the website of the Company i.e. [www.sepower.in](http://www.sepower.in).

## General Body Meetings

The location and time of last three Annual General Meetings are as follows:

Year	EGM/AGM	Date	Time	Venue
2012-13	3 <sup>rd</sup> AGM	Monday, 30 <sup>th</sup> September, 2013	11:30 A.M.	Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065
2013-14	4 <sup>th</sup> AGM	Tuesday, 30 <sup>th</sup> September, 2014	11:00 A.M.	Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065
2014-15	5 <sup>th</sup> AGM	Wednesday, 30 <sup>th</sup> September, 2015	11:30 A.M.	Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065

- All the resolutions moved at the 5<sup>th</sup> Annual General Meeting were passed by means of remote e-voting and physical voting through ballots, the resolutions were passed by requisite majority of members.
- No Extraordinary General Meeting was held during the financial year.
- The details of Special Resolution passed through Postal Ballot, Voting Pattern and Procedure for Postal Ballot are as under:
  - The Company had got the approval of its Members on the resolution for shifting of registered office of the Company from the National Capital Territory of Delhi to the State of Gujarat and to amend the situation clause of Memorandum of Association through postal ballot during the 2015-16.
  - The Board of Directors of the Company at their meeting held on 25<sup>th</sup> August, 2015 has appointed Mr. Satish Kumar Jadon, Proprietor of Satish Jadon & Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot (physical & e-voting) process in a fair and transparent manner.
  - The Company had completed dispatch of Postal Ballot Notice dated 25<sup>th</sup> August, 2015 together with the Explanatory Statement and Ballot forms on 5<sup>th</sup> September, 2015 to all the shareholders whose name appeared on the Register of Members/ list Beneficiaries as on 29<sup>th</sup> August, 2015.
  - Pursuant to provisions of sub rule 3 of Rule 3 of the Companies (Management and Administration) Rules, 2014, advertisement was published by the Company in the "Business Standard" English Edition and Hindi Edition newspapers, informing about the dispatch of Notice of Postal Ballot to the Members.
  - The voting on Special Resolution under Postal Ballot was kept open from on 6<sup>th</sup> September, 2015 (9:00 AM) and 5<sup>th</sup> October, 2015 (5:00PM), either physically or electronic mode.
  - Particular of vote cast through e-voting and postal forms by the Members were entered in the register maintained for the purpose.
  - Postal Ballot Forms received during the voting period together with all the vote cast by e-voting through NSDL e-voting system upto 5:00PM of 5<sup>th</sup> October, 2015 being the last date fixed for voting on resolution, were considered for scrutiny.

- CS Satish Kumar Jadon, the Scrutinizer for conducting the Postal Ballot Process, had submitted his report on the polling results on 6th October, 2015.
- On 7th October, 2015, Dr. Arun Gopal Agarwal, announced the following results of the Postal Ballot on special resolution for shifting of registered office from National Capital Territory of Delhi to State of Gujarat:

Particulars	No. of Shares (Through Postal Ballot)	No. of Shares (Through E-Voting)	Total No. of Shares	% of Net Valid Votes
Total No. of votes cast	26,26,973	1,24,77,109	1,51,04,082	100.000
Less: Invalid votes	0	0	0	0
Net valid no. of votes cast	26,26,973	1,24,77,109	1,51,04,082	100.000
Total no. of votes cast in favour of Special resolution	26,26,973	1,24,76,361	1,51,03,334	99.995
Total no. of votes cast against the Special resolution	0	748	748	0.005

## Disclosures

- There were no materially significant related party transactions i.e. transactions of the material nature, with its promoters, Directors or the management, their relatives etc. during the year, that may have potential conflict with the interest of the Company at large. Company has availed professional services from Director/relative of Director in the ordinary course of business. Further, the Company's policy for dealing with Related Party Transactions is available on company's website [www.sepower.in](http://www.sepower.in).
- There has neither been any non-compliance of any legal provision nor any penalty, stricture imposed by SEBI or Stock Exchange or any other authorities since incorporation of the Company.
- The Board of Directors of the Company has adopted a Whistle Blower policy for establishing a mechanism for employee to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. They affirm that no employee has been denied access to the Audit Committee.
- All mandatory requirement as per Clause 49 of the Listing Agreement and provisions of Listing Regulations have been complied with by the Company. Moreover, the Company has complied with the non-mandatory requirements also as indicated in the separate section of this report..
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and there is no statutory audit qualification in this regard.

## Whistle Blower Policy

We have established a mechanism i.e. vigil mechanism for employees to report concerns about behavior, actual or suspected fraud or violation of our code of conduct or ethics policy. It provides for adequate safeguards against victimization of employees who avail of the mechanism and also allow direct access to the Chairperson of the Audit Committee in exceptional cases. We further affirm that no employee has been denied access to the Audit Committee.

## Means of Communication

Half yearly report sent to each household of shareholders	:	No
Quarterly results of the Company	:	Normally published in Business Standard (English) Business Standard (Hindi) Loksatta (Gujarati)



Website where quarterly results displayed	:	www.sepower.in www.bseindia.com www.nseindia.com
Whether it also displays official news releases	:	No
Whether any advertisement also displayed officials news releases And presentations made to institutions or investors/analysts	:	No presentation made
Whether management discussions and analysis forms part of Annual Report	:	Yes
Whether shareholders' information section forms part of Annual Report	:	Yes

## General Shareholder Information

The Company is registered with Registrar of Companies, Ministry of Corporate Affairs with CIN: L40106GJ2010PLC091880.

Annual General Meeting :	6th Annual General Meeting
● Date and Time	: 20 <sup>th</sup> September, 2016 at 10:30 AM
● Venue	: Survey No. 54/B, Pratapnagar, Jarod_Savli Road, Samlaya, Vadodara-391520 (Gujarat)
● Cut of date	: Cut of date for the purpose of e-voting 13 <sup>th</sup> September, 2016
● Date of Book Closure	: 14 <sup>th</sup> September, 2016 to 20 <sup>th</sup> September, 2016 (Both Days Inclusive)

### Financial Calendar

- Financial Year : Starts with 1<sup>st</sup> day of April and ends on 31<sup>st</sup> day of March of following year
- 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Quarterly Financial Results : Within 45 days of the end each quarter
- 4<sup>th</sup> Quarter and Audited Yearly Financial Results : Within 60 days of the end of 4<sup>th</sup> quarter/ financial year

Listing on Stock Exchange : The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details are as under:

Stock Exchange	BSE	NSE
Type of Shares	Equity	Equity
No. of Shares Listed	4,06,10,000	4,06,10,000
ISIN	INE735M01018	INE735M01018
Security Code/ Symbol	534598	SE POWER
Address of Stock Exchanges	P. J. Tower, 25 <sup>th</sup> Floor, Dalal Street, Mumbai-400001 ( <a href="http://www.bseindia.com">www.bseindia.com</a> )	Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai-400051 ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Listing Fees	Paid upto financial year 2016-17	Paid upto financial year 2016-17

Company Secretary & Compliance Officer : Mr. Manendra Singh

Plant Location : Wind Mills at District Chitradurga, Karnataka and District Jaisalmer, Rajasthan. Rubber Reclamation Unit located at Vadodara, Gujarat.

Address for Correspondence : For any query relating to shares of the Company

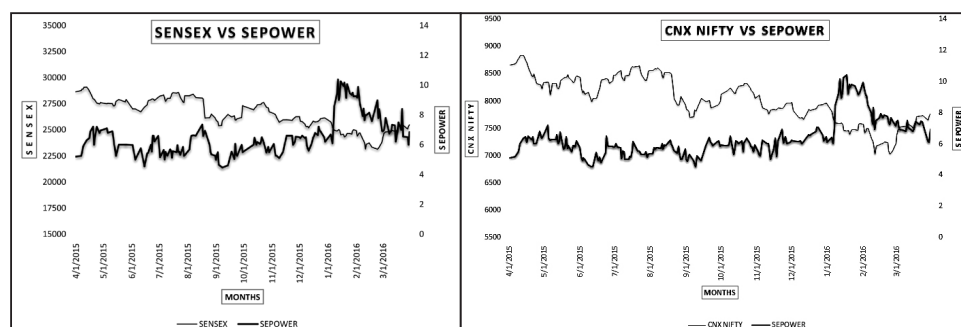
For Shares held in Physical Form:	Alankit Assignments Limited 1E/13, Jhandewalan Extension New Delhi:110055 Contact Person : Mr. J P Rustagi Email : <a href="mailto:ramap@alankit.com">ramap@alankit.com</a> Tel No. : 011 42541234
For Shares held in Demat Form:	To the Investor's Depository Participant or Alankit Assignments Limited
For Grievance Redressal and any query on Annual Report	Secretarial Department S. E. Power Limited Survey No. 54/B, Pratapnagar Jarod-Savli Road, Samlaya Vadodara-391520 (Gujarat)

Market Price Data : Monthly high and low prices of the equity shares of the Company on BSE and NSE during the year under review are as under:

Months	BSE		NSE	
	High (in Rs.)	Low (in Rs.)	High (in Rs.)	Low (in Rs.)
Apr-15	7.21	4.40	6.80	4.60
May-15	7.10	5.00	7.20	4.95
Jun-15	6.60	4.05	6.50	4.05
Jul-15	6.59	4.57	6.15	4.70
Aug-15	7.35	4.36	6.25	4.35
Sep-15	6.06	4.03	6.40	4.50
Oct-15	6.50	5.30	6.50	5.20
Nov-15	6.60	4.75	6.95	4.60
Dec-15	7.21	5.31	7.05	5.45
Jan-16	10.38	5.54	10.45	5.25
Feb-16	9.88	6.16	9.95	5.95
Mar-16	8.40	5.36	7.50	5.55

Source: website of respective stock exchange

Performance of Company's Shares vis-à-vis SENSEX and CNX Nifty:



Registrar and Share Transfer Agents : M/s Alankit Assignments Limited, New Delhi acts as the Registrar and Share Transfer Agent of the Company for handling the shares related work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerializations, rematerializations etc. can be made at the following address:

Alankit Assignments Limited  
Alankit Heights, 1E/13, Jhandewalan Extension,  
New Delhi - 110055,

Share Transfer System : Shares sent for transfer in physical form are processed and completed by our Registrar and Share Transfer Agent within a period of 15 days from the date of receipt of application for transfer, provided all the documents are in order. In case of shares in electronic form, the transfer are processed by NSDL/CDSL through respective Depository Participants. Shares under objection are returned within two weeks.

Share Dematerialisation Process : As trading in shares of the Company can be done only in electronic form, it is advisable that the shareholders who have shares in physical form get their shares dematerialised. The process of share dematerialisation is as under:  
Step1: Shareholder has to open a demat account with a Depository participant (DP) and obtain an account number.

Step2: Shareholder need to fill in a Demat Request Form (DRF) and submit the same with the physical certificate/s to the depository participants for dematerialization. For each ISIN, a separate DRF has to be used.

Step3: DP would verify that the DRF has been filled correctly.

Step4: DP would setup a demat request on the CDSL or NSDL system and send the same to the Company and the Registrar and Transfer Agent.

Step5: Issuer/ Registrar and Transfer Agent (RTA) would verifies the genuineness of the certificates and confirms the request.

Step6: Once the request has been successfully made, DP would deface and mutilate the physical certificates, generate a Demat Request Number (DRN) and send an electronic communication to the depository and courier the DRF and the share certificate to the company by courier.

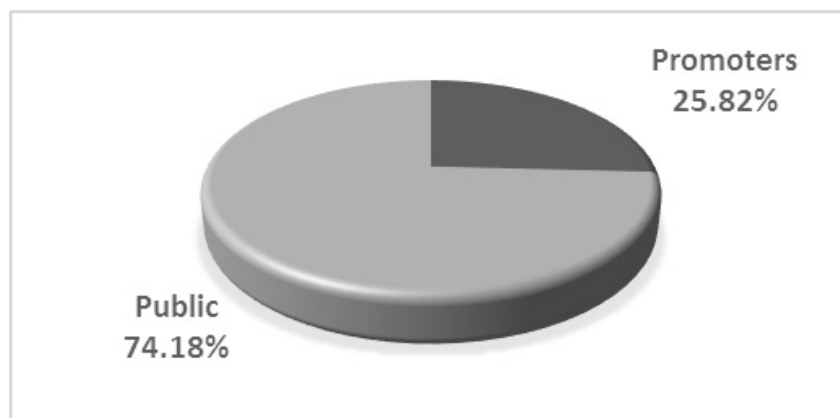
Step7: On receiving confirmation, depository will credit an equivalent number of securities in the demat account of the BO maintained with CDSL or NSDL.

Step8: The depository will electronically download the details of the demat request and communicate the same to the electronic registry maintained by the Registrar of Companies.

Dematerialization process take approximately 10-15 days from the receipt of dematerialization request form.

Details of Shareholding as on 31<sup>st</sup> March, 2016

- ♦ Distribution of Shareholding :



- ♦ Shareholding Pattern as on 31<sup>st</sup> March, 2016 :

S. No.	Category of Shareholder	Total number of shares	%
<b>A</b>	<b>Promoter and Promoter Group</b>		
(1)	Indian		
a	Individuals/Hindu Undivided Family	65,18,640	16.05
b	Bodies Corporate	39,65,866	9.77
c	Central Government/State Government	0	0.00
d	FIs/Banks	0	0.00
	Sub Total A(1)	1,04,84,506	25.82
(2)	Foreign		
a	Individuals (NRI/Foreign Individuals)	0	0.00
b	Government	0	0.00
c	Institutions	0	0.00
d	Foreign Portfolio Investor	0	0.00
	Sub Total A(2)	0	0.00
	<b>Total Promoter &amp; Promoter Group Shareholding A=A(1) +A(2)</b>	<b>1,04,84,506</b>	<b>25.82</b>
<b>B</b>	<b>Public</b>		
(1)	Institutions		
a	Mutual Funds/Venture Capital funds	0	0.00
b	Alternate Investment Funds	0	0.00
c	Foreign Venture Capital Investors	0	0.00
d	Foreign Portfolio Investors	72,37,019	17.82
e	Financial Institutions/Banks	2,00,000	0.49
f	Insurance Company	0	0.00
g	Central Government/State Government(s)	0	0.00
	Sub Total B(1)	74,37,019	18.31

(1)	Non-Institutions		
a	Individuals		
	i. Individual shareholding nominal share capital upto Rs. 2 Lakh	14,83,700	3.65
	ii. Individual shareholding nominal share capital in excess of Rs. 2 Lakh	7,94,164	1.96
b	NBFCs	0	0.00
c	Employee Trusts	0	0.00
d	Oversease Depositories (holding DRs)	0	0.00
e	Bodies Corporate (Indian)	44,91,468	11.06
f	Bodies Corporate (Foreign)	1,58,88,591	39.12
g	NRI	30,552	0.08
	Sub Total B(2)	2,26,88,475	55.87
	<b>Total Public Shareholding B=B(1) +B(2)</b>	<b>3,01,25,494</b>	<b>74.18</b>
C	Shareholding of Non Promoter- Non Public Shareholder		
(1)	Custodian/DR Holders	0	0.00
(2)	Employee Benefit Trust [Under SEBI (Share Based Employee Benefits) Regulation 2014]	0	0.00
	<b>Total Non Promoter- Non Public Shareholding C=C(1) +C(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Grand Total = A+B+C</b>	<b>40610000</b>	<b>100.00</b>

♦ Outstanding GDR's/ ADR's/Warrant or any Convertible instruments : Nil

♦ Shareholding by size :

Shareholding of nominal value of Rs.	Shareholders		Nominal Share Capital	
	Number	% to Total shareholder	Rs.	% to Total Nominal Paid-up capital
1 to 5,000	3706	85.91	27,41,010	0.67
5,001 to 10,000	227	5.26	18,88,390	0.47
10,001 to 20,000	130	3.01	20,19,040	0.50
20,001 to 30,000	52	1.21	13,70,880	0.34
30,001 to 40,000	45	1.04	16,37,070	0.40
40,001 to 50,000	24	0.56	11,09,020	0.27
50,001 to 100,000	51	1.18	38,98,470	0.96
100,001 to above	79	1.83	39,14,36,120	96.39
<b>Total</b>	<b>4314</b>	<b>100.00</b>	<b>40,61,00,000</b>	<b>100.00</b>

♦ Dematerialization of Shares :

Shareholding	Shares of Rs. 10/- each		Members	
	Number	%	Number	%
Physical	33,406	0.08	12	0.28
NSDL	3,86,04,317	95.06	2618	60.69
CDSL	19,72,277	4.86	1684	39.03
Total	4,06,10,000	100.00	4314	100.00

- ♦ Reconciliation of Share Capital Audit : As stipulated under Regulation 55A (1) of SEBI (Depositories and Participants) Regulations, 1996, Share Capital Audit is carried out every quarter and report thereon is timely submitted to Stock Exchanges.

**Compliance with Non-Mandatory Requirements of Listing Regulations:**

- The Chairman of the Company is entitled to seek any advice and consultancy in relation to the performance of his duties and is also entitled to claim reimbursement of the expenses incurred in this regard and other office facilities.
- Presently, Quarterly/ Half yearly financial performance is not being sent to each shareholders.
- The Company believes and maintains its accounts in transparent manner and aims at receiving unqualified report from the Auditors on the financial statement of the Company.
- In regard to the training of Board members, the Directors on the Board are professionals having wide range of expertise in diverse fields. They keep themselves abreast with the latest developments in the field of management, Technology and Business Environment through various symposiums, seminars, etc.
- The Company has appointed two different persons as Managing Director and Chairman, thereby complied with the requirement of separation of office between the two.

## CERTIFICATE ON CORPORATE GOVERNANCE

TO  
THE MEMBERS OF  
M/S S. E. POWER LIMITED,  
(CIN: L40106GJ2010PLC091880)

We have examined the compliance of conditions of Corporate Governance by S. E. Power Limited for the year ended 31<sup>st</sup> March, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the relevant records and documents maintained by the Company and furnished to us.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedure and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 13<sup>th</sup> August, 2016  
Place : New Delhi

**FOR P M S & Co.**  
Chartered Accountants  
Firm Reg. No. 013398C

**Sd/-**  
**CA. Abhishek Gupta**  
Partner  
Membership No. 407582

## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER'S CERTIFICATION

To,  
The Board of Directors,  
S. E. Power Limited

Dear Members of the Board,

We have reviewed the financial statements and cash flow statements for the year 2015-16 and to the best of our knowledge and believe, we state that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct;
4. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies
5. We further certify that:
  - There has been no significant changes in internal control over financial reporting during the year,
  - There has been no significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - There has been no instances of significant fraud of which we became aware, involving management or any employee having a significant role in the Company's internal control system over financial reporting.

**Date : 13<sup>th</sup> August, 2016**  
**Place : New Delhi**

Sd/-  
**Ravindra Agrawal**  
Managing Director  
(DIN-01836312)

Sd/-  
**Nikhil Bansal**  
Chief Financial Officer  
(PAN-ALNPB7523M)

## COMPLIANCE WITH CODE OF CONDUCT

To,  
The Shareholders of  
S. E. Power Limited

The Company has adopted "Code of Conduct for Directors and Senior Management Personnel" In accordance with Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, we hereby certify that all the Directors and Senior Management personnel of the Company have affirmed with the code of conduct applicable to all the Directors and Senior Management, for the year ended 31<sup>st</sup> March, 2016

**Date : 13<sup>th</sup> August, 2016**  
**Place : New Delhi**

Sd/-  
**Ravindra Agrawal**  
Managing Director  
(DIN-01836312)



# SECRETARIAL AUDIT REPORT

**Form No. MR-3**

For The Financial Year Ended 31<sup>st</sup> March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and rules made thereunder]

To,  
The Members,  
S. E. Power Limited,  
Survey No. 54/B, Pratapnagar Jarod-Savli Road,  
Samlaya, Vadodara- 391520 (Gujarat)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. S. E. Power Limited [CIN: L40106GJ2010PLC091880] (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and produced to me 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 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;
  - f) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase -Scheme) Guidelines, 1999;

- 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;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
6. The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
7. As informed to me the following other Laws specifically applicable to the Company as under:
- a) Factories Act, 1948
  - b) Industrial Disputes Act, 1947
  - c) The Payment of Wages Act, 1936
  - d) The Minimum Wages Act, 1948
  - e) Workmen's compensation Act 1923
  - f) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  - g) The Contract Labour (Regulation & Abolition) Act, 1970
  - h) The Child Labour (Prohibition & Regulation) Act, 1986
  - i) The Industrial Employment (Standing Order) Act, 1946
  - j) The Employees' Compensation Act, 1923
  - k) Equal Remuneration Act, 1976
  - l) The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
  - m) Water (Prevention and Control of Pollution) Act, 1974
  - n) Water (Prevention and Control of Pollution) Cess Act, 1977
  - o) Air (Prevention and Control of Pollution) Act, 1981
  - p) Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
  - q) Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013.
  - r) The Rubber Act 1947

I have also examined compliance with the applicable clauses of the Secretarial Standard issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as applicable on the Company.

In respect of the other laws specifically applicable to the Company, I have relied on the information/ records produced by the Company during the course of my audit and the reporting is limited to that extent.

### **I further report**

1. That there were no actions / events in pursuance of :
  - a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, requiring compliance thereof by the Company during the financial year.
2. That the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

3. That the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. During the period under review no changes in the composition of the Board of Directors took place.
4. That the adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
5. That the decisions were taken according to majority rule and subject to the requirement of the Act and other applicable laws.
6. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date : 4<sup>th</sup> August, 2016

Place : Agra

Sd/-

**Dimple Sachdeva**

Company Secretary

Membership No.: ACS-27511

CoP No.: 12852



INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS  
  
(STANDALONE & CONSOLIDATED)

# INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS OF  
M/s S. E. POWER LIMITED  
VADODARA

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s S. E. POWER LIMITED (the Company) which comprise of the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for The Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

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:

1. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2016;
2. In the case of the statement of profit and loss, of the loss for the year ended on that date; and
3. In the case of the cash flow statement, of the cash flows for the year ended on that date;

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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 audit of all the branch offices of the Company has been conducted by us, hence section 143 (8) is not applicable;
  - d. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - g. With respect to the adequacy of internal financial control over financial reporting of the company and operating effectiveness of such control. The Company has proper internal control system.
  - h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Place : Vadodara  
Date : 27<sup>th</sup> May, 2016

**For P M S & Co.**  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-  
**CA. ABHISHEK GUPTA**  
Partner  
M. No. 407582

# ANNEXURE TO AUDITOR'S REPORT OF

## M/s S. E. POWER LIMITED (Referred to in our Report of even date for F. Y. 2015-16)

- i. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.

As explained to us, the fixed assets have been physically verified by the management at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

According to information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

- ii. As explained to us, inventories have been physically verified by the management at reasonable interval.

In our opinion and according to information and explanations given to us, no material discrepancies were noticed on physical verification.

- iii. The Company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.

- iv. According to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with.

- v. Directives issued by Reserve Bank of India and Provisions of Section 73 to 76 or any other relevant provisions of The Companies Act, 2013 and the ruled framed there under are not applicable to the Company.

- vi. Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.

- vii. According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Service Tax, Cess, Employees State Insurance, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as at the last day of financial year concerned for a period of more than six months from the date they became payable.

There are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax on account of any dispute.

- viii. The Company has not defaulted in the repayment of loans or borrowings to a Financial Institution or Bank or Government or due to Debenture holders.

- ix. According to the information and explanations given to us, the Company had not raised money by way of initial public offer or further public offer during the year. The term loan raised during the year has been utilized for the purpose for which it has been taken.

- x. According to the information, explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information & explanations given to us, provision of section 197 read with Schedule V to the Companies Act, 2013 for managerial remuneration paid or provided have been complied with.
- xii. According to the information & explanation given to us, the Company is not Nidhi Company; therefore this clause is not applicable to the company.
- xiii. According to the information & explanation given to us, the provisions of section 177 and 188 of the Companies Act, 2013 regarding transaction with related parties have been complied with and details of the transaction as per applicable accounting standard have been disclosed in the notes to accounts of the financial statements.
- xiv. According to the information & explanation given to us, this clause is not applicable to the company because the company has not made preferential allotment or private placement of share or fully or partly convertible debenture during the year.
- xv. According to the information & explanation given to us, no non-cash transactions with directors or persons connected with him, have been taken place during the year, hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi. According to the information & explanation given to us, the company does not require to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Vadodara  
Date : 27<sup>th</sup> May, 2016

**For P M S & Co.**  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-  
**CA. ABHISHEK GUPTA**  
Partner  
M. No. 407582



## BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2016

Particulars	Note No.	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
		₹	₹
<b>EQUITY AND LIABILITIES:</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	40,61,00,000	40,61,00,000
(b) Reserves and Surplus	2	9,90,934	2,57,14,225
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	41,23,20,000	36,29,96,902
(b) Deferred Tax Liabilities	4	-	7,07,373
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	5	6,14,89,670	5,27,98,224
(b) Trade Payables	6	22,43,463	6,28,145
(c) Other Current Liabilities	7	41,36,817	39,17,962
(d) Short-Term Provisions	8	23,16,913	23,16,914
<b>Total Equity &amp; Liabilities</b>		<b>88,95,97,797</b>	<b>85,51,79,745</b>
<b>ASSETS:</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		79,03,23,580	78,19,90,449
(ii) Intangible Assets		-	-
(iii) Assets under development		-	-
(b) Non-Current Investments	10	75,00,000	-
(c) Deferred Tax Assets	4	1,15,04,501	-
(d) Long Term Loans and Advances	11	11,03,136	11,42,792
(e) Other Non-Current Assets	12	-	4,52,088
<b>(2) Current Assets</b>			
(a) Current Investments	13	1,25,48,729	1,24,77,778
(b) Inventories	14	1,94,49,592	1,97,48,135
(c) Trade Receivables	15	1,69,28,078	98,87,296
(d) Cash and Cash Equivalents	16	12,44,719	8,13,808
(e) Short-Term Loans and Advances	17	2,69,46,732	2,66,18,669
(f) Other Current Assets	18	20,48,730	20,48,730
<b>Total Assets</b>		<b>88,95,97,797</b>	<b>85,51,79,745</b>

Notes referred to above form an integral part of the Financial Statements As per our Report of even date attached

For P M S & Co.  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-

(CA. ABHISHEK GUPTA)  
Partner  
Membership No. 407582

Place : Vadodara  
Dated : 27th May, 2016

For and on behalf of the Board

Sd/-  
(RAVINDRA AGRAWAL)  
Managing Director

Sd/-  
(DR. ARUN GOPAL AGARWAL)  
Director

Sd/-  
(NIKHIL BANSAL)  
Chief Finance Officer

Sd/-  
(MANENDRA SINGH)  
Company Secretary

# PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2016

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting year	Figures as at the end of previous reporting year
			₹	₹
<b>I</b>	<b>Income:</b>			
	Revenue from operations	19	9,49,01,166	5,52,79,067
	Other Income	20	10,52,875	11,84,154
	<b>Total Revenue (I)</b>		<b>9,59,54,041</b>	<b>5,64,63,221</b>
<b>II</b>	<b>Expenses:</b>			
	Cost of operations	21	6,37,81,445	3,71,82,002
	Decrease/(increase) in stock	22	29,563	(83,09,214)
	Employee Benefit Expenses	23	1,22,04,549	1,02,56,809
	Financial Costs	24	44,20,773	46,72,583
	Depreciation and Amortization Expenses	25	3,95,58,552	3,83,47,648
	Other Expenses	26	1,28,94,324	85,51,633
	<b>Total Expenses (II)</b>		<b>13,28,89,206</b>	<b>9,07,01,461</b>
<b>III</b>	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(I-II)</b>	<b>(3,69,35,165)</b>	<b>(3,42,38,240)</b>
IV	Exceptional Items		-	-
<b>V</b>	<b>Profit before extraordinary items and tax</b>	<b>(III-IV)</b>	<b>(3,69,35,165)</b>	<b>(3,42,38,240)</b>
VI	Extraordinary Items		-	-
<b>VII</b>	<b>Profit before tax</b>	<b>(V-VI)</b>	<b>(3,69,35,165)</b>	<b>(3,42,38,240)</b>
VIII	Tax Expenses:			
	Current tax		-	-
	Last Year Income Tax		-	7,155
	Deferred Tax Reserve	4	(1,22,11,874)	5,83,898
<b>IX</b>	<b>Profit/(Loss) for the period from Continuing Operations</b>	<b>(VII-VIII)</b>	<b>(2,47,23,291)</b>	<b>(3,48,29,293)</b>
X	Profit/(Loss) from Discontinuing Operations		-	-
XI	Tax Expense of Discontinuing Operations		-	-
<b>XII</b>	<b>Profit/(Loss) from Discontinuing Operations</b>	<b>(X-XI)</b>	<b>-</b>	<b>-</b>
<b>XIII</b>	<b>Profit/(Loss) for the period</b>	<b>(IX-XII)</b>	<b>(2,47,23,291)</b>	<b>(3,48,29,293)</b>
XIV	Earning per equity share:	34		
	Basic		(0.61)	(0.86)
	Diluted		(0.61)	(0.86)

Notes referred to above form an integral part of the Financial Statements  
As per our Report of even date attached

For P M S & Co.  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-

(CA. ABHISHEK GUPTA)  
Partner  
Membership No. 407582

Place : Vadodara  
Dated : 27<sup>th</sup> May, 2016

For and on behalf of the Board

Sd/-  
(RAVINDRA AGRAWAL)  
Managing Director

Sd/-  
(DR. ARUN GOPAL AGARWAL)  
Director

Sd/-  
(NIKHIL BANSAL)  
Chief Finance Officer

Sd/-  
(MANENDRA SINGH)  
Company Secretary

## CASH FLOW STATEMENT

Particulars		Current Year		Previous Year
	₹	₹	₹	₹
<b>Cash Flows from Operating Activities:</b>				
Net Profit before taxation, and extraordinary items		(3,69,35,165)		(3,42,38,240)
<b>Adjustments for</b>				
Depreciation	3,91,06,464		3,78,90,964	
Preliminary Expenses W/O	4,52,088		4,56,684	
Interest Income	(10,52,875)		(11,84,154)	
Interest expenses	44,20,773		46,72,583	
Operating Profit before working capital changes		59,91,285		75,97,837
<b>Adjustments for</b>				
Trade & Other Receivable	(70,40,782)		(64,71,406)	
Loans & Advances (Assets)	(2,88,407)		64,43,066	
Inventories	2,98,543		(87,69,044)	
Trade Payable & other Current Liabilities	18,34,172		(1,10,92,402)	
Short-Term Provisions	-		(3,99,085)	
<b>Cash generated from operations</b>		<b>7,94,812</b>		<b>(1,26,91,034)</b>
Income Taxes paid		-		7,155
Cash flow before extraordinary item		7,94,812		(1,26,98,189)
Extraordinary items		-		-
<b>Net Cash from / (used) Operating activities</b>		<b>7,94,812</b>		<b>(1,26,98,189)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest Income	10,52,875		9,03,714	
Purchase of Fixed Assets	(4,74,39,596)		(9,73,37,975)	
Sale of Fixed Assets	-		-	
Purchase of Trade Investments	(75,70,951)		-	
Maturity of Trade Investments	-		1,51,89,690	
<b>Net Cash from / (used) Investing activities</b>		<b>(5,39,57,672)</b>		<b>(8,12,44,571)</b>
<b>Net Cash from Financing activities:</b>				
Repayment of long-term borrowings	-		-	
Proceeds from Long Term Borrowings	4,93,23,098		5,52,52,683	
Proceeds from Short Term Borrowings	86,91,446		3,60,60,048	
Interest expenses	(44,20,773)		(46,72,583)	
<b>Net Cash from / (used) Financing activities</b>		<b>5,35,93,770</b>		<b>8,66,40,148</b>
<b>Net Increase in cash &amp; cash equivalents</b>		<b>4,30,910</b>		<b>(73,02,612)</b>
<b>Cash &amp; Cash equivalents at beginning of period</b>		<b>8,13,808</b>		<b>81,16,420</b>
<b>Cash &amp; Cash equivalent at end of period</b>		<b>12,44,719</b>		<b>8,13,808</b>

Signed in terms of our Report of even date

For P M S & Co.  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-

(CA. ABHISHEK GUPTA)  
Partner  
Membership No. 407582

Place : Vadodara  
Dated : 27<sup>th</sup> May, 2016

For and on behalf of the Board

Sd/-  
(RAVINDRA AGRAWAL)  
Managing Director

Sd/-  
(DR. ARUN GOPAL AGARWAL)  
Director

Sd/-  
(NIKHIL BANSAL)  
Chief Finance Officer

Sd/-  
(MANENDRA SINGH)  
Company Secretary

# ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

## A. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention method, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, as adopted consistently by the Company. The Company has followed Mercantile System of Accounting and the accounts have been made consistently on accrual basis as a going concern.

The Company complies with the relevant provisions of the Companies Act, 2013 and applicable accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government of India and the guidelines issued by the Securities and Exchange Board of India (SEBI) to the extent applicable.

The financial statements are presented in Indian rupees rounded off to the nearest rupee.

## B. Stock in Trade

Inventories are stated at the lower of cost or net realizable value after providing for obsolescence, if any. Cost of Inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition.

## C. Cash Flow Statement

As required by Accounting Standard-3 “Cash Flow Statement” issued by “The Institute of Chartered Accountants of India” the Cash Flow for the period is reported using indirect method. The Cash and Cash Equivalent of the Company comprises of Cash in hand and Current account with Scheduled Banks.

## D. Depreciation

Depreciation for current financial year has been provided on straight-line method in the manner and as per the useful lives of the Assets specified in Schedule II to the Companies Act, 2013 and on pro rata basis from the date of installation till the date the assets are sold or disposed off.

## E. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

- a) Sales are recognized on generation of sale bill or clearance of goods from factory whichever is earlier and are recorded exclusive of excise duty, service tax and sales tax.
- b) Export benefits are recognized on accrual basis.
- c) Scrap, salvaged/waste materials and sweepings are recognized on actual realization basis.

## F. Fixed Assets

All assets held with the intention of being used for the purpose of producing goods or providing services and not for sale in the normal course of business are recognized as Fixed Assets and are stated at cost less accumulated depreciation after considering lease adjustment account. All costs including finance cost attributable to fixed assets till assets are ready for intended use are capitalized.

## **G. Investments**

Investments are recognized as recommended in AS 13. Accordingly following policies have been adopted in respect of Investments made:

- i) Investments that are readily realizable and are intended not to be held for more than one year from the date of acquisition are classified as current investments. All other investments are classified as Long term investments.
- ii) The Company values its Investments based on the Accounting Standard- 13 “Accounting for Investment” issued by the Institute of Chartered Accountants of India:
  - a) Investment held as long-term investments are valued at cost. Provision for diminution in value is made only if there is a permanent decline in their net realizable value.
  - b) Current investments are valued at lower of cost or net realizable value.

## **H. Employee Retirement Benefits**

Contributions to Provident Fund made during the year, are charged to Statement of Profit and Loss for the period.

The Company has taken Workmen Compensation Policy to meet the requirement in case of any accident or death of the worker. This contribution to the said plan is charged to Profit & Loss account. The company has no further obligation beyond its contribution to plan.

## **I. Borrowing Costs**

- i) Borrowing costs, which are directly attributable to the acquisition /construction of fixed assets, till the time such assets are ready for intended use, are capitalized as a part of the cost of assets.
- ii) All borrowing costs other than mentioned above are expensed in the period they are incurred. In case unamortized identified borrowing cost is outstanding at the year end, it is classified under loans and advances as unamortized cost of borrowings.
- iii) In case any loan is prepaid/ cancelled then the unamortized borrowing cost, if any, is fully expensed off on the date of prepayment/cancellation.

## **J. Related Parties**

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by AS-18 “Related Party Disclosure” only following related party relationships are covered:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
- (b) Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
- (d) Key management personnel (KMP) and relatives of such personnel; and

(e) Enterprises over which any person described in (c) or (d) is able to exercise significant influence.

#### **K. Lease Assets**

Assets taken on lease are accounted for in accordance with AS-19 “Accounting for Lease” issued by “The Institute of Chartered Accountants of India”.

#### **L. Earning Per Share**

The Earning per Share (Basic as well as Diluted) is calculated based on the net profit or loss for the period attributable to equity shareholders i.e. the net profit or loss for the period after deducting Proposed Preference Dividend and any attributable tax thereto. For the purpose of calculating (Basic and Diluted EPS), the number of equity shares taken are the weighted average number of equity shares outstanding during the period.

#### **M. Segment Reporting**

The Segment report of the Company has been prepared in accordance with the Accounting Standard-17 “Segment Reporting” issued by The Institute of Chartered Accountants of India.

#### **N. Intangible Assets**

Intangible assets are recognized only when four of below mentioned criteria are fulfilled:

- a) Asset is identifiable.
- b) Control of the enterprise over that asset.
- c) It is probable that future economic benefits attributable to the asset will flow to the enterprise.
- d) Cost of the asset can be measured reliably.

If any of the above four criteria is not fulfilled the expenditure incurred to acquire the asset is recognized as an expense, in the year in which it is incurred.

Intangible assets are initially measured at cost, after initial recognition the intangible asset is carried at its carrying value i.e. cost less any accumulated amortization and accumulated impairment losses.

#### **O. Impairment of Assets**

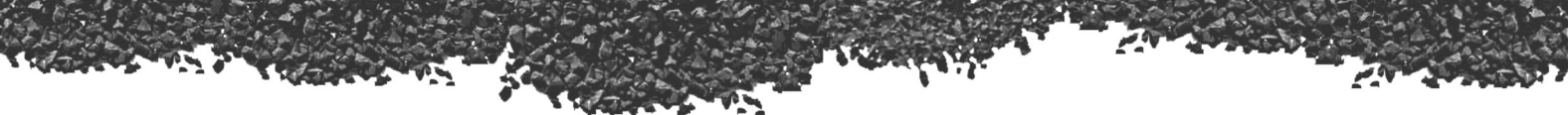
An asset is treated as impaired, when carrying cost of asset exceeds its recoverable amount.

At each Balance Sheet Date, it is seen that whether there is any indication that an asset may be impaired, if any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss; if any. Such impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to its revised estimate of its recoverable amount. However this increased amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset in prior period. A reversal of an impairment loss is recognized as income immediately in the Profit & Loss Account.

#### **P. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be outflow of resources. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and



are not discounted to its present value. Contingent liabilities are not recognized but are disclosed in the notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements and will be recognize only when its realization is virtually certain.

**Q. Use of Estimates and Judgements**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**R. Foreign Currency Transactions**

As prescribed in Accounting Standard 11 (AS- 11)- “The effect of changes in foreign exchange rates”, Transactions in foreign currency are recorded at the rates of exchange prevalent on the date of transaction. Exchange differences, if any arising from foreign currency transactions are dealt in the statement of profit and loss at year end rates.

## NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31<sup>ST</sup> MARCH 2016

<b>Note : 1 Share Capital</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>AUTHORIZED CAPITAL</b>		
	4,06,10,000 Equity Shares of ₹ 10/- each	40,61,00,000	40,61,00,000
<b>2</b>	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	4,06,10,000 Equity Shares of ₹ 10/- each fully paid up	40,61,00,000	40,61,00,000
	Opening Bal. (Face Value ₹ 10/- each) 4,06,10,000		
	Add: Allotment during the year -		
	Closing Bal. (Face Value ₹ 10/- each ) 4,06,10,000		
	<b>Total in ₹</b>	<b>40,61,00,000</b>	<b>40,61,00,000</b>

### List of Shareholders holding more than 5% Shares of the Company

Sr. No.	Name of Shareholders	No. of Shares	% of Shareholding
1	Auctor Investments Limited	37,95,504	9.35%
2	Heshika Growth Fund	37,95,504	9.35%
3	Plutus Terra India Fund	37,43,581	9.22%
4	Shikha Agrawal	34,29,400	8.44%
5	Antara India Evergreen Fund Limited	33,46,493	8.24%
6	Sachin Agrawal	30,89,240	7.61%
7	Davos International Fund	29,29,449	7.21%
8	Elara India Opportunities Fund Ltd.	21,44,704	5.28%
9	Superteck Printing Private Limited	20,47,622	5.04%

<b>Note : 2 Reserves &amp; Surplus</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Capital Reserve	7,72,090	7,72,090
2	General Reserve	7,05,17,546	7,05,17,546
3	Surplus (Profit & Loss Account)	(7,02,98,702)	(4,55,75,411)
	Balance brought forward from previous year	(4,55,75,411)	(1,07,46,118)
	Add: Profit/(Loss) for the period	(2,47,23,291)	(3,48,29,293)
	<b>Total in ₹</b>	<b>9,90,934</b>	<b>2,57,14,225</b>



<b>Note : 3 Long Term Borrowings</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Secured Term Loan</b>		
	Andhra Bank	17,45,00,000	21,50,76,902
<b>2</b>	<b>Unsecured Loan</b>		
	From Others	23,78,20,000	14,79,20,000
	<b>Total in ₹</b>	<b>41,23,20,000</b>	<b>36,29,96,902</b>

-Refer to Note no. 31

<b>Note : 4 Deferred Tax Liabilities /Assets</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>DTL/(DTA) at the end of the year</b>	<b>(1,15,04,501)</b>	<b>7,07,373</b>
	DTL at beginning of the year	7,07,373	1,23,475
<b>2</b>	<b>Amount charged from P&amp;L A/c</b>	<b>(1,22,11,874)</b>	<b>5,83,898</b>

<b>Note : 5 Short Term Borrowings</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Secured Cash Credit Limits</b>		
	Andhra Bank	2,12,89,670	84,98,224
<b>2</b>	<b>Term Loan- Repayable in one year</b>		
	Andhra Bank	4,02,00,000	4,43,00,000
	<b>Total in ₹</b>	<b>6,14,89,670</b>	<b>5,27,98,224</b>

(See Note No. 30 & 31)

<b>Note : 6 Trade Payable</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Trade Payable</b>	<b>22,43,463</b>	<b>6,28,145</b>
	<b>Total in ₹</b>	<b>22,43,463</b>	<b>6,28,145</b>

<b>Note : 7 Other Current Liabilities</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Other Current Liabilities</b>	<b>41,36,817</b>	<b>39,17,962</b>
	<b>Total in ₹</b>	<b>41,36,817</b>	<b>39,17,962</b>

<b>Note : 8 Short Term Provisions</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Provision for Taxation</b>	<b>23,16,913</b>	<b>23,16,914</b>
	<b>Total in ₹</b>	<b>23,16,913</b>	<b>23,16,914</b>

**Note : 9 Fixed Asset**

(Amount in ₹)

Sr No.	Particulars	Gross Block				Depreciation			Net Block		
		Value at the beginning	During the Year		Value at the end	Value at the beginning	During the Year		Value at the end	WDV as on 31.03.2016 and	WDV as on 31.03.2015
			Addition	Deduction			Addition	Deduction			
<b>1</b>	<b>Tangible Assets</b>										
	Land	5,48,18,878	-	5,48,18,878	-	-	-	-	5,48,18,878	5,48,18,878	
	Building	15,31,50,146	4,04,61,658	19,36,11,804	22,67,407	21,63,309	-	44,30,716	18,91,81,088	15,08,82,739	
	Plant & Machinery	69,02,71,558	61,78,259	69,64,49,817	11,76,90,651	3,57,37,837	-	15,34,28,489	54,30,21,328	57,25,80,906	
	Furniture & Fittings	25,53,835	53,134	26,06,969	33,234	7,80,033	-	8,13,267	17,93,702	25,20,601	
	Computer Peripheral & Software	13,20,699	7,46,545	20,67,244	1,33,375	4,25,285	-	5,58,660	15,08,584	11,87,324	
	<b>Total</b>	<b>90,21,15,116</b>	<b>4,74,39,596</b>	<b>94,95,54,712</b>	<b>12,01,24,667</b>	<b>3,91,06,464</b>	<b>-</b>	<b>15,92,31,131</b>	<b>79,03,23,580</b>	<b>78,19,90,449</b>	
	<b>(Current Year)</b>	<b>90,21,15,116</b>	<b>4,74,39,596</b>	<b>94,95,54,712</b>	<b>12,01,24,667</b>	<b>3,91,06,464</b>	<b>-</b>	<b>15,92,31,131</b>	<b>79,03,23,580</b>	<b>78,19,90,449</b>	
	<b>(Previous Year)</b>	<b>80,44,96,701</b>	<b>9,76,18,415</b>	<b>90,21,15,116</b>	<b>8,22,33,703</b>	<b>3,78,90,964</b>	<b>-</b>	<b>12,01,24,667</b>	<b>78,19,90,449</b>	<b>72,22,62,998</b>	

<b>Note : 10 Long Term Loans Investments</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Investment in wholly owned Subsidiary Co.- Shubham Electrochem Ltd. (5,00,000 Equity shares of face value of Rs. 10/- per share fully paid up)	75,00,000	-
	<b>Total in ₹</b>	<b>75,00,000</b>	<b>-</b>

<b>Note : 11 Long Term Loans and Advances</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Security Deposits</b>		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	11,03,136	11,42,792
	c) Doubtful	-	-
2	<b>Loans &amp; Advances to related parties</b>		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
3	<b>Other Loans &amp; Advances</b>		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	-	-
	c) Doubtful	-	-
	<b>Total in ₹</b>	<b>11,03,136</b>	<b>11,42,792</b>

<b>Note : 12 Other Non Current Assets</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Preliminary Expenses	-	4,52,088
	<b>Total in ₹</b>	<b>-</b>	<b>4,52,088</b>

- Preliminary Expenses are written off over a period of five years.

<b>Note : 13 Current Investments</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Trade Investments (Bank FDR's including interest)	1,25,48,729	1,24,77,778
	<b>Total in ₹</b>	<b>1,25,48,729</b>	<b>1,24,77,778</b>

- Refer to Note No. 32

<b>Note : 14 Inventories</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Inventories</b>	1,94,49,592	1,97,48,135
	(As certified by Management)		
	<b>Total in ₹</b>	<b>1,94,49,592</b>	<b>1,97,48,135</b>

<b>Note : 15 Trade Receivable</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Trade Receivables</b>		
	a) Secured, Considered Good	-	-
	b) Unsecured, Considered Good	1,69,28,078	98,87,296
	(With in Six Months from the date they become due for Payment)		
	c) Doubtful	-	-
	<b>Total in ₹</b>	<b>1,69,28,078</b>	<b>98,87,296</b>

<b>Note : 16 Cash &amp; Cash Equivalent</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Cash-in-Hand</b>		
	Cash Balances	2,46,164	4,88,831
	<b>Sub Total (A)</b>	<b>2,46,164</b>	<b>4,88,831</b>
<b>2</b>	<b>Bank Balance</b>		
	Current a/c with scheduled banks (Subject to reconciliations)	9,98,555	3,24,978
	<b>Sub Total (B)</b>	<b>9,98,555</b>	<b>3,24,978</b>
	<b>Total in ₹ [A + B]</b>	<b>12,44,719</b>	<b>8,13,808</b>

<b>Note : 17 Short Term Loans and Advances</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>Loans &amp; Advances to related parties</b>	-	-
<b>2</b>	<b>Others</b>		
	Income Tax and TDS	33,48,475	32,38,275
	Prepaid Expenses	4,25,286	3,88,700
	Other loan and advances	2,31,72,971	2,29,91,694
	<b>Total in ₹</b>	<b>2,69,46,732</b>	<b>2,66,18,669</b>

<b>Note : 18 Other Current Assets</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	<b>MAT Credit Entitlement</b>	20,48,730	20,48,730
	<b>Total in ₹</b>	<b>20,48,730</b>	<b>20,48,730</b>

<b>Note : 19 Revenue from Operations</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Income from Non Conventional Energy Division	1,81,63,514	1,99,21,112
	<b>Sub Total (A)</b>	<b>1,81,63,514</b>	<b>1,99,21,112</b>
2	Sale from Reclaimed Rubber Division		
	Sale of Goods	7,99,10,583	3,66,34,133
	Less: Excise Duty	31,72,931	12,76,178
	<b>Sub Total (B)</b>	<b>7,67,37,652</b>	<b>3,53,57,955</b>
	<b>Total in ₹ [A + B]</b>	<b>9,49,01,166</b>	<b>5,52,79,067</b>

<b>Note : 20 Other Incomes</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Interest Income	10,52,875	11,84,154
	<b>Total in ₹</b>	<b>10,52,875</b>	<b>11,84,154</b>

<b>Note : 21 Cost of operations</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	<b>Operational cost</b>	-	<b>17,78,983</b>
2	<b>Cost of Material Consumed:</b>		
	<b>Raw Material Consumed</b>		
	Opening Inventory	94,17,422	92,68,698
	Add: Purchases	3,01,24,543	2,93,53,125
	Add: Custom duty & Freight	1,10,10,581	4,16,839
	Less: Inventory at the end of the year	76,93,709	94,17,422
		<b>4,28,58,837</b>	<b>2,96,21,240</b>
	<b>Packing Material Consumed</b>		
	Opening Inventory	2,31,211	17,600
	Add: Purchases	10,61,003	9,64,156
	Less: Inventory at the end of the year	1,31,115	2,31,211
		<b>11,61,099</b>	<b>7,50,545</b>
	<b>Cunsumables Consumed</b>		
	Opening Inventory	2,25,928	1,28,433
	Add: Purchases	33,83,751	6,03,620
	Less: Inventory at the end of the year	17,80,757	2,25,928
		<b>18,28,922</b>	<b>5,06,125</b>
3	Purchases of Spares	2,72,801	26,212
4	Direct Expenses	1,76,59,785	44,98,897
	<b>Total in ₹</b>	<b>6,37,81,445</b>	<b>3,71,82,002</b>

<b>Note:22 Change in Inventory of Finished Goods and Work in process</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	Stock at the end of the year		
	Finished Goods	48,13,011	92,80,329
	Work in process	50,31,000	5,93,245
	Less: Stock at the beginning of the year/period	98,73,574	15,64,360
	<b>Change in Inventory</b>	<b>29,563</b>	<b>(83,09,214)</b>

<b>Note : 23 Employment Benefit Expenses</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
1	Salary & Establishment Expenses	1,13,52,647	95,80,394
2	Managing Directors' Remuneration	5,40,000	5,40,000
3	Staff Welfare Expenses	3,11,902	1,36,415
	<b>Total in ₹</b>	<b>1,22,04,549</b>	<b>1,02,56,809</b>

There is no employee who has drawn more than ₹ 6,000,000/- per annum or ₹ 500,000/- per month during the year. The Remuneration paid to Managing Director is less than that permitted under section 197 read with schedule V of companies Act, 2013

<b>Note : 24 Financial Cost</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	Interest & Bank Charges	44,20,773	46,72,583
	<b>Total in ₹</b>	<b>44,20,773</b>	<b>46,72,583</b>

<b>Note : 25 Depreciation &amp; Amortised Cost</b>		₹	₹
Sr. No.	Particulars	Current Year	Previous Year
<b>1</b>	Depreciation	3,91,06,464	3,78,90,964
<b>2</b>	Preliminary Expenses W/O	4,52,088	4,56,684
	<b>Total in ₹</b>	<b>3,95,58,552</b>	<b>3,83,47,648</b>

<b>Note : 26 Other Expenses</b>		₹	₹
<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Travelling & Conveyance Expenses	11,78,726	12,27,221
2	Repair & Maintenance Expenses	4,81,335	3,52,517
3	Insurance Expenses	5,30,477	5,63,937
4	Legal & Professional Expenses	7,36,976	5,98,491
5	Printing & Stationery Expenses	2,93,878	2,13,386
6	Postage & Telephone Expenses	1,51,540	3,10,728
7	Office and General Expenses	12,79,119	11,63,546
8	Rent, Rates & Taxes	23,38,942	24,10,257
9	Freight Outward & Other Transportation cost	38,78,295	4,38,510
10	Security Expenses	9,37,163	3,49,271
11	Marketing & Business Promotion Expenses	5,87,874	4,23,769
12	Auditor's Remuneration	5,00,000	5,00,000
	<b>Total in ₹</b>	<b>1,28,94,324</b>	<b>85,51,633</b>

**27. Remuneration to Auditor:**

<b>Particulars</b>	<b>Current year 31.03.-2016</b>	<b>Previous year 31.03.2015</b>
For Statutory Audit	2,50,000	2,50,000
For Tax Audit Report U/s 44AB of IT Act 1961	2,25,000	2,25,000
For Certification work / Other services	25,000	25,000
<b>Total in ₹</b>	<b>5,00,000</b>	<b>5,00,000</b>

# Excluding Service Tax.

28. Figures of the previous year have been regrouped/rearranged/reclassified wherever considered necessary.

**29. Disclosure of related party transactions:**

**A. Parties where control Exists**

**Shubham Electrochem Ltd.**  
(Wholly Owned Subsidiary)

**B. List of related parties and relationship**

**Related Party**

**Relation**

**Key Managerial Personnel (KMP)**

Mr. Ravindra Agrawal

Managing Director

**Relatives of KMP**

Mrs. Shilpa Agarwal

Spouse of Mr. Ravindra Agrawal

Ms. Rishika Agarwal

Daughter of Mr. Ravindra Agrawal

Ms. Saumya Agarwal

Daughter of Mr. Ravindra Agrawal

Mr. Devendra Kumar Agarwal

Brother of Mr. Ravindra Agrawal

Mrs. Sangeeta Jain

Sister of Mr. Ravindra Agrawal

Mr. Shashi Bhushan Agarwal

Father of Mr. Ravindra Agrawal

Mrs. Prem Lata Agarwal

Mother of Mr. Ravindra Agrawal

C. Enterprises over which significant influence exercised by Key Managerial Personnel/ Directors/Relatives of Key Management Personnel during the year: NIL

D. Disclosures required for related party transaction

(₹ in Lakhs)

Particulars	KMP & Relative	Enterprise over which significant influence exercised by KMP/ Directors	Total
<b>Transactions made during the year</b>			
Interest Paid	-	-	-
Remuneration paid	5.40	-	5.40
Rendering of Services (Professional Fees)	6.00	-	6.00
<b>Amount outstanding at Balance Sheet date</b>			
- Amount Payable	0.95	-	0.95
- Amount Receivable	-	-	-

Notes:

- (1) Related party relationship is as identified by the Company on the basis of information available with them and accepted by the auditors as correct.
- (2) Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transaction to be in normal course of business and at rates agreed between the parties.
- (3) No amount has been written off or written back during the year in respect of debt due from or to related parties.

30. **Working Capital Borrowings:**

The facilities from Andhra Bank are secured by hypothecation of stock of Raw Material, Stock in process, stores & Spares, Finished goods, Packing material, Book Debts, Bill discounted, etc. The credit facilities are secured by equitable mortgage of land belonging to the Company and other personal guarantees.

31. **Term Loans:**

Term loan facilities from Andhra Bank are secured by hypothecation of Plant & Machinery and equitable mortgage of land belonging to the Company and other personal guarantees.

The same are repayable in quarterly installments as per terms of sanction.

32. **Details of Bank FDR's held as on 31.03.2016:**

(₹ in Lakhs)

S. No.	Name of the Bank	Purpose	Principal Amount
1.	United Bank of India	Custom Deptt.	118.30
2.	Andhra Bank	Bank Guarantee	7.19
	<b>Total in ₹</b>		<b>125.49</b>



33. **Contingent Liabilities:**

(₹ in Lakhs)

S. No.	Nature of Liability	Amount
1.	Custom Deptt. (against EPCG Scheme)	118.30
2.	Madhya Gujarat Vij Company Ltd. (MGVCL)	40.99
	<b>Total in ₹</b>	<b>159.29</b>

34. **Earning Per Share:**

(₹ in Lakhs)

Particulars	2015-16	2014-15
Net Profit after tax	(247.23)	(348.29)
Profit available to equity share holders (A)	(247.23)	(348.29)
<b>Number of Equity Shares</b>		
Weighted average number of Equity Shares outstanding (Face Value of ₹10/- each) (B)	406.10	406.10
Basic Earning per Share (A / B) (Basic & diluted)	₹ (0.61)	₹ (0.86)

35. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid at the year end together with interest paid/payable as required under the Act can not be furnished.

36. Financial cost and other expenses related to projects have been capitalized.

37. **Additional Information:**

**A. Expenditure in Foreign Currency**

(₹ in Lakhs)

S. No.	Particulars	2015-16
1	Foreign Travelling Exp.	1.71
	<b>Total in ₹</b>	<b>1.71</b>

**B. Details of Value of imported and indigenous material consumed**

(₹ in Lakhs)

S. No.	Particulars	2015-16
1	Imported	113.78
2	Indigenous	237.33
	<b>Total</b>	<b>351.11</b>

### 38. Segment Reporting:

(₹ in Lakhs)

Sr. No.	Particulars	Year Ended	
		31.03.2016	31.03.2015
<b>1</b>	<b>Segment Revenue</b>		
A	Non Conventional Energy Division	181.63	199.21
B	Reclaimed Rubber Division	767.38	353.58
	<b>Net Income from Operations</b>	<b>949.01</b>	<b>552.79</b>
<b>2</b>	<b>Segment Results:</b>		
	Profit/(Loss) before tax, interest and Exceptional Items		
A	Non Conventional Energy Division	(25.44)	(45.36)
B	Reclaimed Rubber Division	(310.24)	(262.14)
	<b>Total</b>	<b>(335.67)</b>	<b>(307.50)</b>
	<b>Less:</b> Finance cost	44.21	46.72
	<b>Add:</b> Other Un-allocable Income	10.53	11.84
	<b>Total Profit/(Loss) Before Tax and Exceptional Items</b>	<b>(369.35)</b>	<b>(342.38)</b>
<b>3</b>	<b>Capital Employed</b>		
	(Segment assets- Segment Liabilities)		
A	Non Conventional Energy Division	2501.05	2,534.91
B	Reclaimed Rubber Division	1569.86	1,783.23
	<b>Total</b>	<b>4070.91</b>	<b>4,318.14</b>
<b>4</b>	<b>Depreciation</b>		
	<b>Total</b>	<b>391.06</b>	<b>378.91</b>

# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO,  
THE MEMBERS OF  
M/s S. E. POWER LIMITED  
VADODARA

## Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of M/s S. E. POWER LIMITED (the Company) and its wholly owned subsidiary Shubham Electrochem Limited which comprise of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

We believe that our audit provides a reasonable basis for our opinion:

1. We report that the Consolidated Financial Statements have been prepared by the company's management in accordance with requirements of Accounting Standard 21 issued by the ICAI, "Consolidated Financial Statements".
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. In the case of the Consolidated balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016;
  - b. In the case of the Consolidated statement of profit and loss, of the profit for the year ended on that date; and
  - c. In the case of the Consolidated cash flow statement, of the cash flows for the year ended on that date.

Place : Vadodara  
Date : 27<sup>th</sup> May, 2016

For **P M S & Co.**  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-  
**CA. ABHISHEK GUPTA**  
Partner  
M. No. 407582

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ON CONSOLIDATED ACCOUNTS

## ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS:

### A. Principle of Consolidation

The Consolidated Financial Statements relate to S. E. Power Ltd. (the Company) and its subsidiary Nupur Finvest Pvt. Ltd. The Consolidated Financial Statements have been prepared on the following basis:

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21- “Consolidated Financial Statements”. The financials are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra- group balances and intra- group transactions.
- b) Investment in Associate Companies has been accounted under the equity method as per (AS 23)- “Accounting for Investments in Associates in Consolidated Financial Statements”.
- c) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

### B. Investments Other than in Subsidiaries and Associates

Investments other than in subsidiaries and associates have been accounted as per Accounting Standards (AS) 13 on “Accounting for Investments”.

### C. Other Significant Accounting Policies

These are set out under “Significant Accounting Policies” as given in the Company’s separate financial statements.

## CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2016

Particulars	Note No.	Figures as at the end of current reporting year
		₹
<b>EQUITY AND LIABILITIES:</b>		
<b>(1) Shareholders' Funds</b>		
(a) Share Capital	1	40,61,00,000
(b) Reserves and Surplus	2	2,25,41,985
(c) Money received against share warrants		-
<b>(2) Share Application money pending allotment</b>		
<b>(3) Non-Current Liabilities</b>		
(a) Long-Term Borrowings	3	41,23,20,000
(b) Deferred Tax Liabilities	4	-
(c) Other Long Term Liabilities		-
(d) Long Term Provisions		-
<b>(4) Current Liabilities</b>		
(a) Short-Term Borrowings	5	6,14,89,670
(b) Trade Payables	6	22,43,463
(c) Other Current Liabilities	7	41,57,644
(d) Short-Term Provisions	8	24,09,669
<b>Total Equity &amp; Liabilities</b>		<b>91,12,62,431</b>
<b>ASSETS:</b>		
<b>(1) Non-Current Assets</b>		
(a) Fixed Assets	9	
(i) Tangible Assets		79,30,09,376
(ii) Intangible Assets		-
(iii) Assets under development		-
(b) Non-Current Investments	10	47,48,536
(c) Deferred Tax Assets	4	1,15,02,516
(d) Long Term Loans and Advances	11	11,03,136
(e) Other Non-Current Assets	12	11,25,725
<b>(2) Current Assets</b>		
(a) Current Investments	13	1,25,48,729
(b) Inventories	14	1,94,50,365
(c) Trade Receivables	15	1,69,28,078
(d) Cash and Cash Equivalents	16	16,28,931
(e) Short-Term Loans and Advances	17	4,71,68,309
(f) Other Current Assets	18	20,48,730
<b>Total Assets</b>		<b>91,12,62,431</b>

Notes referred to above form an integral part of the Financial Statements  
As per our Report of even date attached

For P M S & Co.  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-

(CA. ABHISHEK GUPTA)  
Partner  
Membership No. 407582

Place : Vadodara  
Dated : 27<sup>th</sup> May, 2016

For and on behalf of the Board

Sd/-  
(RAVINDRA AGRAWAL)  
Managing Director

Sd/-  
(DR. ARUN GOPAL AGARWAL)  
Director

Sd/-  
(NIKHIL BANSAL)  
Chief Finance Officer

Sd/-  
(MANENDRA SINGH)  
Company Secretary

## CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2016

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting year
<b>I</b>	<b>Income:</b>		
	Revenue from operations	19	9,61,49,582
	Other Income	20	15,44,268
	<b>Total Revenue (I)</b>		<b>9,76,93,850</b>
<b>II</b>	<b>Expenses:</b>		
	Cost of operations	21	6,41,59,827
	Decrease/(increase) in stock	22	29,779
	Employee Benefit Expenses	23	1,24,95,949
	Financial Costs	24	44,20,773
	Depreciation and Amortization Expenses	25	3,98,18,758
	Other Expenses	26	1,32,23,880
	<b>Total Expenses (II)</b>		<b>13,41,48,966</b>
<b>III</b>	Profit before exceptional and extraordinary items and tax	<b>(I-II)</b>	<b>(3,64,55,116)</b>
<b>IV</b>	Exceptional Items		-
<b>V</b>	Profit before extraordinary items and tax	<b>(III-IV)</b>	<b>(3,64,55,116)</b>
<b>VI</b>	Extraordinary Items		-
<b>VII</b>	Profit before tax	<b>(V-VI)</b>	<b>(3,64,55,116)</b>
<b>VIII</b>	<b>Tax Expenses:</b>		
	Current tax		92,756
	Last Year Income Tax		-
	Deferred Tax Reserve	4	(1,22,12,147)
<b>IX</b>	Profit/(Loss) for the period from Continuing Operations	<b>(VII-VIII)</b>	<b>(2,43,35,725)</b>
X	Profit/(Loss) from Discontinuing Operations		-
XI	Tax Expense of Discontinuing Operations		-
XII	Profit/(Loss) from Discontinuing Operations	<b>(X-XI)</b>	-
XIII	Profit/(Loss) for the period	<b>(IX-XII)</b>	<b>(2,43,35,725)</b>
XIV	Earning per equity share:	30	
	Basic		(0.6)
	Diluted		(0.6)

Notes referred to above form an integral part of the Financial Statements  
As per our Report of even date attached

For P M S & Co.  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-

(CA. ABHISHEK GUPTA)  
Partner  
Membership No. 407582

Place : Vadodara  
Dated : 27<sup>th</sup> May, 2016

For and on behalf of the Board

Sd/-  
(RAVINDRA AGRAWAL)  
Managing Director

Sd/-  
(DR. ARUN GOPAL AGARWAL)  
Director

Sd/-  
(NIKHIL BANSAL)  
Chief Finance Officer

Sd/-  
(MANENDRA SINGH)  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year Ended on 31<sup>st</sup> March 2016

Particulars		Current Year
<b>Cash Flows from Operating Activities:</b>		
Net Profit before taxation, and extraordinary items		(3,64,55,116)
<b>Adjustments for</b>		
Depreciation	3,93,66,670	
Preliminary Expenses W/O	4,52,088	
Interest Income	(10,52,875)	
Profit on Sale of Shares	(4,91,393)	
Interest expenses	44,20,773	
<b>Operating Profit before working capital changes</b>		<b>62,40,147</b>
<b>Adjustments for</b>		
Trade & Other Receivable	(70,40,782)	
Loans & Advances (Assets)	17,26,016	
Inventories	2,98,759	
Trade Payable & other Current Liabilities	18,34,215	
Short-Term Provisions	77,127	
<b>Cash generated from operations</b>		<b>31,35,483</b>
Income Taxes paid		92,756
Cash flow before extraordinary item		30,42,727
Extraordinary items		
<b>Net Cash from / (used) Operating activities</b>		<b>30,42,727</b>
<b>Cash Flows from Investing Activities:</b>		
Interest Income	10,52,875	
Profit on Sale of Shares	4,91,393	
Purchase of Fixed Assets	(4,74,59,197)	
Sale of Fixed Assets		
Purchase of Trade Investments	(1,01,40,477)	
Maturity of Trade Investments		
<b>Net Cash from / (used) Investing activities</b>		<b>(5,60,55,406)</b>
<b>Net Cash from Financing activities:</b>		
Repayment of long-term borrowings		
Proceeds from Long Term Borrowings	4,93,23,098	
Proceeds from Short Term Borrowings	86,91,446	
Interest expenses	(44,20,773)	
<b>Net Cash from / (used) Financing activities</b>		<b>5,35,93,770</b>
<b>Net Increase in cash &amp; cash equivalents</b>		<b>5,81,091</b>
<b>Cash &amp; Cash equivalents at beginning of period</b>		<b>10,47,840</b>
<b>Cash &amp; Cash equivalent at end of period</b>		<b>16,28,931</b>

Signed in terms of our Report of even date

For P M S & Co.  
Chartered Accountants  
Firm Reg. No. 013398C

Sd/-

(CA. ABHISHEK GUPTA)  
Partner  
Membership No. 407582

Place : Vadodara  
Dated : 27<sup>th</sup> May, 2016

For and on behalf of the Board  
Sd/-  
(RAVINDRA AGRAWAL)  
Managing Director

Sd/-  
(DR. ARUN GOPAL AGARWAL)  
Director

Sd/-  
(NIKHIL BANSAL)  
Chief Finance Officer

Sd/-  
(MANENDRA SINGH)  
Company Secretary



**Notes to Consolidated Financial Statements as on 31<sup>st</sup> March 2016**

<b>Note : 1 Share Capital</b>		₹
<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year</b>
<b>1</b>	<b>AUTHORIZED CAPITAL</b> 4,06,10,000 Equity Shares of ₹ 10/- each	40,61,00,000
<b>2</b>	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 4,06,10,000 Equity Shares of ₹ 10/- each fully paid up	40,61,00,000
	Opening Bal. (Face Value ₹ 10/- each) 4,06,10,000	
	Add: Allotment during the year -	
	Closing Bal. (Face Value ₹ 10/- each ) 4,06,10,000	
	<b>Total in ₹</b>	<b>40,61,00,000</b>

List of Shareholders holding more than 5% Shares of the Company

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>% of Shareholding</b>
<b>1</b>	Auctor Investments Limited	9.35%
<b>2</b>	Heshika Growth Fund	9.35%
<b>3</b>	Plutus Terra India Fund	9.22%
<b>4</b>	Shikha Agrawal	8.44%
<b>5</b>	Antara India Evergreen Fund Limited	8.24%
<b>6</b>	Sachin Agrawal	7.61%
<b>7</b>	Davos International Fund	7.21%
<b>8</b>	Elara India Opportunities Fund Ltd.	5.28%
<b>9</b>	Superteck Printing Private Limited	5.04%

**Note : 2 Reserves & Surplus**

<b>Note : 2 Reserves &amp; Surplus</b>		₹
<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year</b>
<b>1</b>	Capital Reserve	7,72,090
<b>2</b>	General Reserve	9,19,85,046
<b>3</b>	Surplus (Profit & Loss Account)	(7,02,15,151)
	Balance brought forward from previous year	
	Add: Profit/(Loss) for the period	
	<b>Total in ₹</b>	<b>2,25,41,985</b>

**Note : 3 Long Term Borrowings**

<b>Note : 3 Long Term Borrowings</b>		₹
<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year</b>
<b>1</b>	<b>Secured Term Loan</b>	
	Andhra Bank	17,45,00,000
<b>2</b>	<b>Unsecured Loan</b>	
	From Others	23,78,20,000
	<b>Total in ₹</b>	<b>41,23,20,000</b>

-Refer to Note no. 32

**Note : 4 Deferred Tax Liabilities /Assets**

		₹
Sr. No.	Particulars	Current Year
1	DTL/(DTA) at the end of the year	(1,15,02,516)
	DTL at beginning of the year	7,09,631
2	Amount charged from P&L A/c	(1,22,12,147)

**Note : 5 Short Term Borrowings**

		₹
Sr. No.	Particulars	Current Year
1	Secured Cash Credit Limits	
	Andhra Bank	2,12,89,670
2	Term Loan- Repayable in one year	
	Andhra Bank	4,02,00,000
	<b>Total in ₹</b>	<b>6,14,89,670</b>

'Refer to Note no. 32

**Note : 6 Trade Payable**

		₹
Sr. No.	Particulars	Current Year
1	Trade Payable	22,43,463
	<b>Total in ₹</b>	<b>22,43,463</b>

**Note : 7 Other Current Liabilities**

		₹
Sr. No.	Particulars	Current Year
1	Other Current Liabilities	41,57,644
	<b>Total in ₹</b>	<b>41,57,644</b>

**Note : 8 Short Term Provisions**

		₹
Sr. No.	Particulars	Current Year
1	Provision for Taxation	24,09,669
	<b>Total in ₹</b>	<b>24,09,669</b>

**Note : 9 Fixed Asset**

Sr No.	Particulars	Gross Block				Depreciation			Net Block
		Value at the beginning	During the Year		Value at the end	Value at the beginning	During the Year		Value at the end
			Addition	Deduction			Addition	Deduction	
<b>I</b>	<b>Tangible Assets</b>								
	Land	5,48,18,878	-	5,48,18,878	-	-	-	5,48,18,878	
	Building	15,60,26,298	4,04,61,658	19,64,87,956	22,67,407	24,03,645	46,71,052	19,18,16,904	
	Plant & Machinery	69,02,71,558	61,78,259	69,64,49,817	11,76,90,651	3,57,37,837	15,34,28,489	54,30,21,328	
	Furniture & Fittings	26,14,897	53,134	26,68,031	55,577	7,88,185	8,43,762	18,24,269	
	Computer Peripheral & Software	13,58,309	7,66,145	21,24,454	1,59,454	4,37,003	5,96,457	15,27,997	
	<b>Total</b>	<b>90,50,89,940</b>	<b>4,74,59,196</b>	<b>95,25,49,136</b>	<b>12,01,24,667</b>	<b>3,93,66,670</b>	<b>15,95,39,759</b>	<b>79,30,09,376</b>	
	<b>(Current Year)</b>	<b>90,50,89,940</b>	<b>4,74,59,196</b>	<b>95,25,49,136</b>	<b>12,01,24,667</b>	<b>3,93,66,670</b>	<b>15,95,39,759</b>	<b>79,30,09,376</b>	

(Amount in ₹)

<b>Note : 10 Long Term Loans Investments</b>		₹
Sr. No.	Particulars	Current Year
1	Investment in Unquoted Shares	47,48,536
	<b>Total in ₹</b>	<b>47,48,536</b>

<b>Note : 11 Long Term Loans and Advances</b>		₹
Sr. No.	Particulars	Current Year
1	<b>Security Deposits</b>	
	a) Secured, Considered Good	-
	b) Unsecured, Considered Good	11,03,136
	c) Doubtful	-
2	<b>Loans &amp; Advances to related parties</b>	
	a) Secured, Considered Good	-
	b) Unsecured, Considered Good	-
	c) Doubtful	-
3	<b>Other Loans &amp; Advances</b>	
	a) Secured, Considered Good	-
	b) Unsecured, Considered Good	-
	c) Doubtful	-
	<b>Total in ₹</b>	<b>11,03,136</b>

<b>Note : 12 Other Non Current Assets</b>		₹
Sr. No.	Particulars	Current Year
1	Preliminary Expenses	-
2	Goodwill	11,25,725
	<b>Total in ₹</b>	<b>11,25,725</b>

- Preliminary Expenses are written off over a period of five years.

<b>Note : 13 Current Investments</b>		₹
Sr. No.	Particulars	Current Year
1	Trade Investments (Bank FDR's including interest)	1,25,48,729
	<b>Total in ₹</b>	<b>1,25,48,729</b>

<b>Note : 14 Inventories</b>		₹
Sr. No.	Particulars	Current Year
1	Inventories (As certified by Management)	1,94,50,365
	<b>Total in ₹</b>	<b>1,94,50,365</b>

<b>Note : 15 Trade Receivable</b>		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Trade Receivables</b>	
	a) Secured, Considered Good	-
	b) Unsecured, Considered Good	1,69,28,078
	(With in Six Months from the date they become due for Payment)	
	c) Doubtful	-
	<b>Total in ₹</b>	<b>1,69,28,078</b>

<b>Note : 16 Cash &amp; Cash Equivalent</b>		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Cash-in-Hand</b>	
	Cash Balances	6,24,377
	<b>Sub Total (A)</b>	<b>6,24,377</b>
<b>2</b>	<b>Bank Balance</b>	
	Current a/c with scheduled banks (Subject to reconciliations)	10,04,554
	<b>Sub Total (B)</b>	<b>10,04,554</b>
	<b>Total in ₹ [A + B]</b>	<b>16,28,931</b>

<b>Note : 17 Short Term Loans and Advances</b>		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Loans &amp; Advances to related parties</b>	-
<b>2</b>	<b>Others</b>	
	Income Tax and TDS	-
	Prepaid Expenses	-
	Other loan and advances	4,71,68,309
	<b>Total in ₹</b>	<b>4,71,68,309</b>

<b>Note : 18 Other Current Assets</b>		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>MAT Credit Entitlement</b>	20,48,730
	<b>Total in ₹</b>	<b>20,48,730</b>

<b>Note : 19 Revenue from Operations</b>		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Revenue from Operations</b>	9,61,49,582
	<b>Total in ₹</b>	<b>9,61,49,582</b>

<b>Note : 20 Other Incomes</b>		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Interest Income</b>	10,52,875
<b>2</b>	<b>Profit on sale of shares</b>	4,91,393
	<b>Total in ₹</b>	<b>15,44,268</b>

Note : 21 Cost of operations		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Cost of Material Consumed:</b>	
	<b>Raw Material Consumed</b>	
	Opening Inventory	94,17,422
	Add: Purchases	3,05,02,925
	Add: Custom duty & Freight	1,10,10,581
	Less: Inventory at the end of the year	76,93,709
		<b>4,32,37,219</b>
	<b>Packing Material Consumed</b>	
	Opening Inventory	2,31,211
	Add: Purchases	10,61,003
	Less: Inventory at the end of the year	1,31,115
		<b>11,61,099</b>
	<b>Cunsumables Consumed</b>	
	Opening Inventory	2,25,928
	Add: Purchases	33,83,751
	Less: Inventory at the end of the year	17,80,757
		<b>18,28,922</b>
2	Purchases of Spares	2,72,801
3	Direct Expenses	1,76,59,785
	<b>Total in ₹</b>	<b>6,41,59,827</b>

Note : 22 Change in Inventory of Finished Goods and Work in process		₹
Sr. No.	Particulars	Current Year
<b>1</b>	<b>Stock at the end of the year</b>	
	Finished Goods	48,13,784
	Work in process	50,31,000
	Less: Stock at the beginning of the year/period	(98,74,563)
	<b>Change in Inventory</b>	<b>29,779</b>

Note : 23 Employment Benefit Expenses		₹
Sr. No.	Particulars	Current Year
1	Salary & Establishment Expenses	1,16,44,047
2	Managing Directors' Remuneration	5,40,000
3	Staff Welfare Expenses	3,11,902
	<b>Total in ₹</b>	<b>1,24,95,949</b>

There is no employee who has drawn more than ₹ 6,000,000/- per annum or ₹ 500,000/- per month during the year. The Remuneration paid to Managing Director is less than that permitted under section 197 read with schedule V of Companies Act 2013

<b>Note : 24 Financial Cost</b>		₹
Sr. No.	Particulars	Current Year
1	Interest & Bank Charges	44,20,773
	<b>Total in ₹</b>	<b>44,20,773</b>

<b>Note : 25 Depreciation &amp; Amortised Cost</b>		₹
Sr. No.	Particulars	Current Year
1	Depreciation	3,93,66,670
2	Preliminary Expenses W/O	4,52,088
	<b>Total in ₹</b>	<b>3,98,18,758</b>

<b>Note : 26 Other Expenses</b>		₹
Sr. No.	Particulars	Current Year
1	Travelling & Conveyance Expenses	12,23,124
2	Repair & Maintenance Expenses	4,81,335
3	Insurance Expenses	5,30,477
4	Legal & Professional Expenses	7,36,976
5	Printing & Stationery Expenses	2,99,135
6	Postage & Telephone Expenses	1,62,637
7	Office and General Expenses	15,30,748
8	Rent, Rates & Taxes	23,38,942
9	Freight Outward & Other Transportation cost	38,78,295
10	Security Expenses	9,37,163
11	Marketing & Business Promotion Expenses	5,87,874
12	Auditor's Remuneration	5,17,175
	<b>Total in ₹</b>	<b>1,32,23,880</b>

**27. Remuneration to Auditor:**

Particulars	Current year
For Statutory Audit	2,60,000
Tax Audit	2,25,000
For Certification work/other services	30,000
<b>Total in ₹</b>	<b>5,15,000</b>

**28. Contingent Liabilities**

Sr. No.	Nature of Liability	Amount
1	Custom Deptt. (against EPCG Scheme)	118.30
2	Madhya Gujarat Vij Company Ltd. (MGVCL)	40.99
	<b>Total in ₹</b>	<b>159.29</b>

29. No amount is payable to Small Scale Industrial Undertakings. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the Act can not be furnished.

**30. Earning per Share: (₹ in Lakhs)**

Particulars	2015-16
Net profit for the year (After Tax)	(243.36)
Weighted average number of Equity Shares outstanding (Face Value of ₹10/- each)	406.10
Basic and diluted Earning per share	₹ (0.60)

**31. Disclosures of related party transaction:**

Refer note no. 29 (A, B , C & D) of the company's separate financial statements.

**32. Working Capital Borrowings & Term Loan details:**

Term loan facilities from Andhra Bank are secured by hypothecation of Plant & Machinery and equitable mortgage of land belonging to the Company and other personal guarantees.

(₹ in Lakhs)

Name of Financial Institutions	Date of Sanction	Sanctioned Amount	Rate of Interest	Terms of repayment	Maturity Date
Andhra Bank	March 2014	24.92	13.75%	28 equal Qly instalments	30 <sup>th</sup> May, 2022
Andhra Bank	March 2014	2.30	13.75%	10 equal Qly instalments	1 <sup>st</sup> July, 2016

The working Capital facilities from Andhra Bank are secured by hypothecation of stock of Raw Material, Stock in process, stores & Spares, Finished goods, Packing material, Book Debts, Bill discounted, etc. The credit facilities are secured by equitable mortgage of land belonging to the Company and other personal guarantees.

S. No.	Name of Bank	Sanctioned Amount	Date of Sanction	Rate of Interest
1	Andhra Bank	5.90	March 2014	Base Rate+3.00%

**33. Detail of Bank FDR's (principal amount) held as on 31.03.2016:**

S. No.	Particulars	Amount
1.	United bank Of India (Held as guarantee to Custom Deptt. Agst EPCG scheme)	118.30
2.	Andhra bank (held as guarantee to MGVCL)	6.15
	<b>Total in ₹</b>	<b>124.45</b>



34. Additional information as required in respect of Consolidated Financial Statements:

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Total Consolidated</b>	<b>100%</b>	<b>4286.42</b>	<b>100%</b>	<b>(243.36)</b>
<b>Holding Co.:</b>				
S. E. Power Ltd.	93.48%	4007.17 (Note 1)	(101.59%)	(247.23) (Note 2)
<b>Subsidiaries-Wholly Owned:</b>				
Shubham Electrochem Ltd.	6.52%	279.25	1.59%	3.87

S. E. Power Ltd not holding any foreign subsidiary company/ Joint Venture

**Note 1.** Net of Investment in Subsidiary Company

**Note 2.** Net of Income from Subsidiary Company

## Form No. 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 statements of subsidiaries/associate companies/joint ventures:

### Part "A": Subsidiaries

1	Name of Subsidiary	M/s Shubham Electrochem Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same i.e. April 1, 2015 to March 31, 2016
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	50 Lakhs
5	Reserves	229.25 Lakhs
6	Total Assets	280.41 Lakhs
7	Total Liabilities	280.41 Lakhs
8	Investments	47.48 Lakhs
9	Turnover	12.48 Lakhs
10	Profit before Taxation	4.80 Lakhs
11	Provision for Taxation	0.92 Lakhs
12	Profit after Taxation	3.88 Lakhs
13	Proposed Dividend (excluding dividend distribution tax)	NIL
14	% of shareholding	100%

Names of subsidiaries which are yet to commence operations. : N.A.

Names of subsidiaries which have been liquidated or sold during the year. : N.A.

Part "B": Associates and Joint Ventures : NIL

## S. E. POWER LIMITED

CIN : L40106GJ2010PLC091880

**Registered Office:** Survey No. 54/B, Pratapnagar,  
Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat)  
Phone: +91 2667 251566, E-mail: cs@sepower.in, Website: www.sepower.in

### ATTENDANCE SLIP

(To be presented at the entrance)

6<sup>th</sup> Annual General Meeting on 20<sup>th</sup> September, 2016 at 10:30 A.M.  
at Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat)

I hereby record my presence at the 6<sup>th</sup> Annual General Meeting of the Company to be held on 20<sup>th</sup> September, 2016 at 10:30 a.m. at Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat).

Full Name of the Member (In BLOCK LETTERS) : .....

Folio No. ....

DP ID No. .... Client ID No. ....

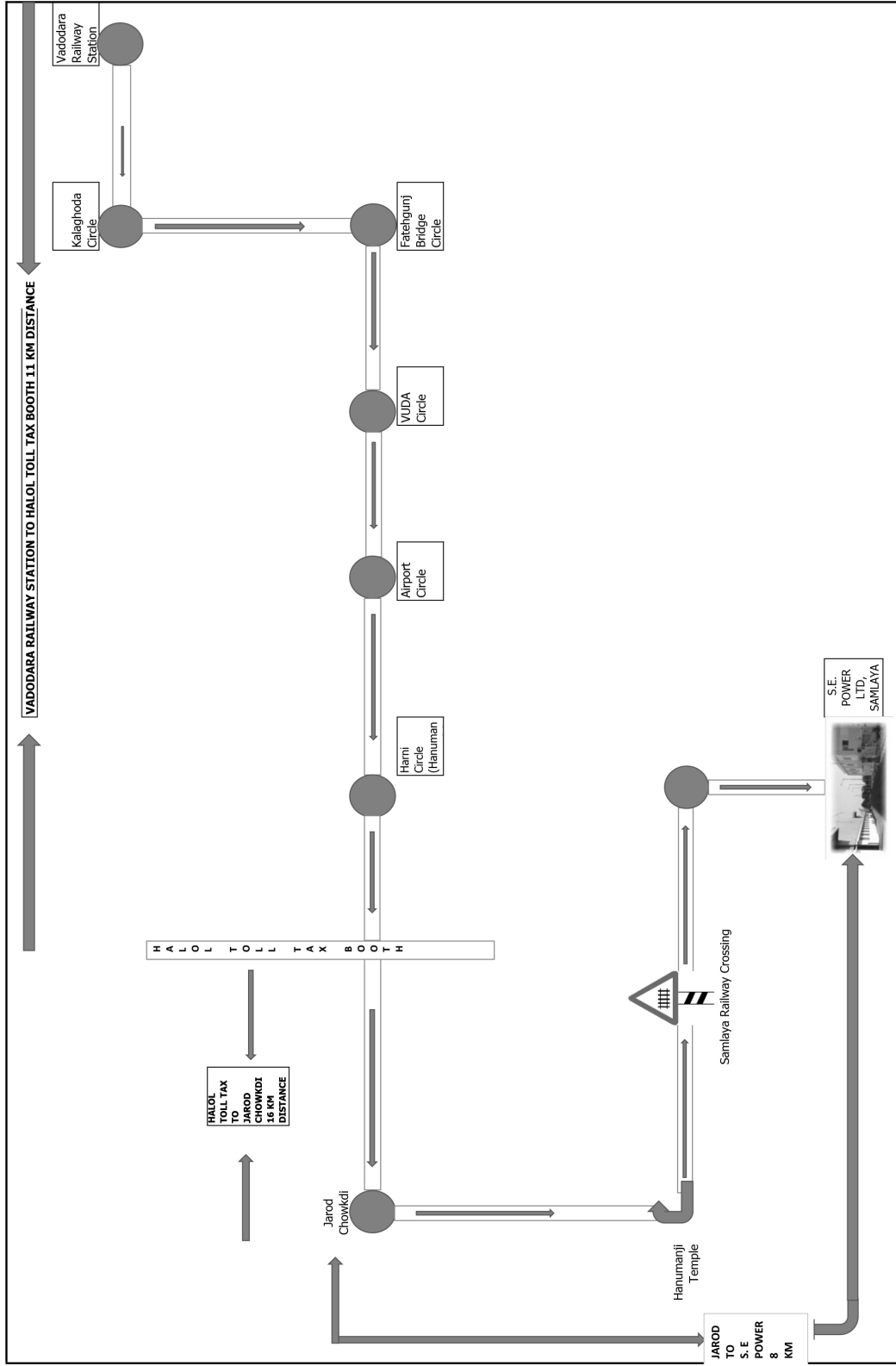
No. of Shares held .....

Full Name of Proxy (In BLOCK LETTERS) : .....

Signature of Member/Proxy: .....

Date: .....

# ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



## S. E. POWER LIMITED

CIN : L40106GJ2010PLC091880

**Registered Office:** Survey No. 54/B, Pratapnagar,  
Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat)

Phone: +91 2667 251566, E-mail: cs@sepower.in, Website: www.sepower.in

### FORM NO. MGT 11 PROXY FORM

Name of the Member(s) : .....  
Registered Address : .....  
E-mail ID : .....  
Folio No. / Client Id : .....  
DP ID : .....

I/We, being the member(s) of .....Shares of the S. E. Power Limited, hereby appoint.

1. Name : .....  
Email Id : .....  
Address : .....  
Signature : ..... or failing him;
2. Name : .....  
Email Id : .....  
Address : .....  
Signature : ..... or failing him;
3. Name : .....  
Email Id : .....  
Address : .....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6<sup>th</sup> Annual General Meeting of the Company, to be held on 20<sup>th</sup> September, 2016 at 10:30 a.m. at Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat) and at any adjournment thereof in respect of such resolutions as are indicated below:

RES. NO.	DESCRIPTION	Optional	
		FOR	AGAINST
1.	Adoption of Financial Statements, Report of Board of Directors and Auditors for the financial year ended 31 <sup>st</sup> March, 2016		
2.	Re-appointment of Dr. Arun Gopal Agarwal, who retires by rotation		
3.	Appointment of M/s R. Lal & Company, Chartered Accountants, as Statutory Auditors and to fix their remuneration		
4.	Appointment of Mr. Diwan Chand Arya as an Independent Director		
5.	Fixation of Remuneration of Managing Director of the Company		
6.	Determination of Fee for Service of Documents to Shareholder		

Signed on this ..... day of ..... 2016.

Signature of Shareholder: .....

Signature of Proxy holder(s).....

Notes:

1. This Form in order to be effective should be duly completed and deposited at the registered office of the Company at Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya, Vadodara-391520 (Gujarat), not less than 48 hours before the commencement of the meeting.
2. Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.

Affix ₹ 1/-  
Revenue  
Stamp







## **S. E. Power Limited**

**Registered Office:** Survey No. 54/B, Pratapnagar, Jarod-Savli Road, Samlaya  
Vadodara-391520 (Gujarat) India  
Phone +91 2667 251 566

**Camp Office:** 17, Kamal Kunj Society, Behind Bank of Baroda, Deluxe Crossroad  
Nizampura, Vadodara-390002, Gujarat, India  
Phone + 91 265 2785566

