



SRM ENERGY LIMITED

27th Annual Report
2013-14

27th Annual Report 2013-14

Corporate Information (As on August 14, 2014)

BOARD OF DIRECTORS

Mr. Gagan Rastogi	Director
Mr. Vishal Rastogi	Managing Director (Appointed w.e.f. February 21, 2014)
Mr. Sameer Rajpal	Director (Appointed w.e.f. February 11, 2014)
Mr. Vijay Sharma	Director (Appointed w.e.f. February 11, 2014)
Mr. Pranav Kumar	Director (Appointed w.e.f. February 11, 2014)
Mr. D. Sundararajan	Managing Director & CEO (Resigned on February 11, 2014)
Mr. Sudarshan K. Parab	Director (Resigned on January 25, 2014)
Mr. Jayaram Shetty	Director (Resigned on January 24, 2014)
Mr. Srinivasan Parthasarathy	Director (Resigned on August 01, 2013)

CHIEF FINANCIAL CONTROLLER (Appointed w.e.f. June 01, 2014)

Mr. Kailashchandra M Gupta

COMPANY SECRETARY

Mrs. Sanjeevlata Samdani

BANKERS

AXIS BANK LTD.

AUDITORS

M/s Haribhakti & Co.,
Chartered Accountants, Mumbai

REGISTERED & ADMIN OFFICE

54, 5th Floor, Bajaj Bhawan,
226, Nariman Point,
Mumbai-400 021.
Tel. No. : +91-22-66151690/ 2009
Fax : +91-22-66168900

REGISTRAR & SHARE TRANSFER AGENTS

Datamatics Financial Services Ltd,
Plot No.B-5, Part B Cross Lane, MIDC,
Andheri-East, Mumbai-400 093.
Tel. No. : +91-22-66712151 / 2156
Fax : +91-22-66712161
Email : info@dfssl.com
Website : www.datamaticsbpo.com

CORPORATE IDENTITY NUMBER (CIN)

L17100MH1985PLC037364

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NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of SRM Energy Limited will be held on Tuesday, September 30, 2014 at 02.00 PM at Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 2014 together with Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Gagan Deep Kumar Rastogi (DIN: 03434885), who retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of Statutory Auditors

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

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s Haribhakti & Co., Chartered Accountants, Mumbai, (Firm registration No. 103523W) the retiring Auditors of the Company, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Thirty First AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company at Mumbai, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out-of-pocket expenses.”

SPECIAL BUSINESS

4. Appointment of Mr. Vishal Rastogi as Director

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

“RESOLVED that Mr. Vishal Rastogi (DIN: 02780975), who was appointed as an Additional Director of the Company with effect from February 21, 2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company.”

5. Appointment of Mr. Vishal Rastogi as Managing director

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

“RESOLVED that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, the Company hereby approves of the appointment of Mr Vishal Rastogi

(DIN: 02780975) as the Managing director of the Company without remuneration for a term of 5 years from February 21, 2014 to February 20, 2019 , and he shall be liable to retire by rotation in the ensuing annual general meeting.

RESOLVED FURTHER that the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

6. Appointment of Mr. Sameer Rajpal as an Independent Director of the Company

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

“RESOLVED that Mr. Sameer Rajpal (DIN: 05184612) who was appointed as an Additional Director of the Company with effect from February 11, 2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office as such upto March 31, 2019, who shall not be liable to retire by rotation.”

7. Appointment of Mr. Vijay Sharma as an Independent Director of the Company

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

“RESOLVED that Mr. Vijay Sharma (DIN: 03272034), who was appointed as an Additional Director of the Company with effect from February 11, 2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office as such upto March 31, 2019, who shall not be liable to retire by rotation.”

8. Appointment of Mr. Pranav Kumar as Director an Independent Director of the Company

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

“RESOLVED that Mr. Pranav Kumar (DIN: 00045493), who was appointed as an Additional Director of the Company with effect from March 11, 2014 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office as such upto March 31, 2019, who shall not be liable to retire by rotation.”

9. Modification in Article of Association

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under [including any statutory modification[s] or re-enactment thereof, for the time being in force], the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

By Order of the Board
For SRM Energy Limited

Place: Mumbai,
Dated: August 14, 2014

Sanjeevlata Samdani
Company Secretary

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in Item Nos.3 to 9 above and the relevant details of the Directors seeking re-appointment / appointment as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 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 shareholder.

4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (both days inclusive).
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays and holidays upto the date of the Annual General Meeting.
8. Queries on accounts and operations of the Company, if any may please be sent to the Company, seven days in advance of the meeting, so that, the answers may be made available at the meeting.
9. Members / Proxies who attend the meeting are requested to bring the enclosed attendance slip duly filled and deliver the same at the entrance of the meeting hall.
10. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
11. Members who are holding Company's shares in dematerialised form are requested to bring details of their DP and client ID number for identification.
12. Members are requested to notify immediately any change in their addresses and / or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, Datamatics Financial Services Ltd for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
13. Members holding shares in physical form and who have not registered their email IDs are requested to register the same with Datamatics Financial Services Ltd.
14. The Notice of the AGM along with the Annual Report 2013-14 and instructions for e-voting and assent / dissent form, attendance slip, proxy form are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Datamatics Financial Services Ltd. / Depositories.
16. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under :-

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab.
- iii) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- iv) If you are holding shares in electronic form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- v) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.
*	Members who have not updated their PAN with the Company / DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field.
*	In case the Folio No. is less than 8 digits enter the applicable number of '0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.
Date of Birth or Date of Incorporation	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account in dd/mm/yyyy format or enter Folio No.
OR	OR
Bank Account Number	Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No.
	Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- viii) Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) Click on the EVSN for the SRM Energy Limited.
- x) On the voting page, you will see Resolution Description and against the same the option "YES / NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "Resolutions File" Link if you wish to view the entire Notice.
- xii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xiii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the voting done by you.
- xv) If an electronic account holder has forgotten the set password, then he has a ‘Forgot password’ option to reset the password.
- xvi) Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUFs, and NRIs etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

OTHER INSTRUCTIONS

- i) The e-voting period commences on Wednesday, September 24, 2014 (9.00 a.m. IST) and ends on Friday, September 26, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- ii) The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on August 29, 2014.
- iii) Mr. Manish L. Ghia, Partner, Manish Ghia & Associates, Company Secretaries, Mumbai has been appointed as the Scrutinizer to conduct the e-voting process (including the assent / dissent form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer’s Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

17. In terms of Clause 35B of the Stock Exchange Listing Agreement, those members who do not have access to e-voting facility may return the duly completed assent / dissent form so as to reach the Scrutinizer Mr. Manish L. Ghia, at the Datamatics Financial Services Ltd. not later than Friday, September 26, 2014 (6.00 p.m. IST).

Members have the option to request for physical copy of the assent/dissent form by sending an e-mail to Datamatics Financial Services Ltd. At 'investorsqry@dfssl.com' by mentioning their Folio No./DP ID and Client ID No. However, the duly completed assent / dissent form should reach the Registered Office of the Company not later than Friday, September 26, 2014 (6.00 p.m. IST).

Assent / dissent form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by assent / dissent form. If a Member casts votes by both these modes, then voting done through e-voting shall prevail and the vote cast through assent / dissent form shall be treated as invalid.

- v) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.srmenergy.in and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at the Twenty Seventh AGM of the Company on September 30, 2014 and communicated to BSE Limited where the shares of the Company are listed.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 to 9 of the accompanying Notice dated August 14, 2014:

Item No.3

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

M/s Haribhakti & Co., Chartered Accountants (CAs),(Firm registration No. 103523W) Mumbai, were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on December 09, 2013

M/s Haribhakti & Co., have been the Auditors of the Company since 2008-09 and have completed a term of Six years. As per the provisions of Section 139 of the Act, no listed company can appoint or re- appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above M/s Haribhakti & Co., being eligible for re-appointment and based on the recommendation of the Audit Committee of Directors, the Board of Directors has, at its meeting held on August 14, 2014, proposed the appointment of M/s Haribhakti & Co. as the statutory auditors of the Company for a period of four years to hold office from the conclusion of this AGM till the conclusion of the thirty first AGM of the Company to be held in the year 2018 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No.3 of the accompanying notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution at Item No 3 of the accompanying Notice.

Item Nos.4 & 5

Mr. Vishal Rastogi was appointed as an Additional Director of the Company with effect from February 21, 2014 by the Board of Directors under Section 161 of the Act and Article 159 of the Company's Articles of Association. In terms of Section 161(1) of the Act, Mr. Vishal Rastogi holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act, has been received from a Member signifying its intention to propose the appointment of Mr. Vishal Rastogi as a Director of the Company. The Board also appointed Mr. Vishal Rastogi as the Managing Director of the Company without remuneration for the period from February 21, 2014 to February 20, 2019, subject to approval of the Members in the ensuing annual general meeting, whose office shall be liable to retire by rotation.

Mr. Vishal Rastogi has varied experience and deep understanding of the levers of business. This enables him to drive operational excellence across the breadth of responsibilities.

The Directors are of the view that the appointment of Mr. Vishal Rastogi as Managing Director will be beneficial to the operations of the Company and accordingly recommend the Resolutions at Item Nos. 4 & 5 of the accompanying Notice for approval by the Members of the Company.

Other than Mr. Vishal Rastogi and Mr. Gagan Rastogi, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolutions at Item Nos.4 & 5 of the accompanying Notice.

Item Nos.6 to 8

The Company had, appointed Mr. Sameer Rajpal, Mr. Vijay Sharma on February 11, 2014 and Mr. Pranav Kumar on March 11, 2014 as additional Directors of the Company pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges, appointed them, as Independent Directors at the same time, in compliance with the requirements of the said Clause.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 01, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Further, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

The matter regarding appointment of the above Directors as Independent Directors was placed before the Nomination and Remuneration Committee and the Board, which recommended their appointment as Independent Directors, as under:-

Name of Independent Director	Appointed upto
Mr. Sameer Rajpal	31.03.2019
Mr. Vijay Shama	31.03.2019
Mr. Pranav Kumar	31.03.2019

The above named Directors have given declarations to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

A brief profile of the Directors to be appointed is given below:

- Mr. Gagan Rastogi

He is a Bachelor of Science in business administration from Boston University – School of Management, Boston, USA. He is a part of Rastogi Family which established Chemipex International group involved in trading, marketing, distribution and consultancy services dating back to the year 1980. He is involved in trading and marketing of mineral fibers between Russia, India and Sri Lanka and supplying raw materials for low-cost roofing products to various clients in India and Sri Lanka.

- Mr. Vishal Rastogi

He is a Master of Computer Systems from London, UK. He is Member of the Rastogi family who had established the Chemimpex International group which was involved in manufacturing, trading, marketing, distribution and consultancy services dating back to the year 1980. He has vast and rich experience of 13 years in the field of trading of Minerals and Chemical products together with experience in the field of Oil and Gas. He also manages a Company namely BND Gas Pvt. Ltd., which is involved in the business of Distribution of Auto LPG and has a number of Auto LPG Dispensing stations across India.

- Mr. Sameer Rajpal

Mr. Sameer Rajpal, a Person of Indian Origin, is a Canadian citizen. He did his Bachelor degree in Economics from San Jose State University, USA. He was instrumental in establishing the India Operations of Blue Diamond Technologies, USA and headed Healthwide.com. He was also associated with HP India in its expansion of their marketing network. He is a Non-Executive Independent Director of the Company. He is also on the board of other companies.

- Mr. Vijay Sharma

He is a Bachelor in Science from Punjab University. He has been associated with Chemimpex Group of Companies Since last 35 years. He is having vast and varied experience in the field of Accounts, and Finance. He has also handled the job relating to marketing of various products of the Company mainly in Laboratory Chemicals. He is a Non-Executive Independent Director of the Company.

- Mr. Pranav Kumar

Having more than 13 years of experience as Practicing Company Secretary and Corporate consultant. He is a fellow member of the Institute of Company Secretaries of India (ICSI), New Delhi and also holds additional degrees of Masters Diploma in Business Administration (Finance and Marketing)

from SIMS, PUNE and graduation in commerce. He is a Promoter director of Alacrity Corporate Solutions PVT. LTD and Senior partner in the firm of Company Secretaries M/s Pranav Kumar & Associates. He is avid speaker at various platforms on Corporate and Management topics. He is a Non-Executive Independent Director of the Company.

In the opinion of the Board, the above Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of their respective appointments shall be open for inspection by the Members at the Registered Office during normal business hours on any working day of the Company. These Directors are interested or concerned in the Resolutions in the accompanying Notice relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions at Item Nos.6 to 8 of the accompanying Notice.

Item No.9

The Companies Act, 2013 is now largely in force. On September 12, 2013, the Minister of Corporate Affairs ["MCA"] had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. Importantly, the substantive sections of the Companies Act, 2013 which deal with the general working of companies stand notified.

The existing Articles of Association ["AoA"] of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956, but some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered expedient to wholly replace the existing AoA by a new set of AoA.

The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013

Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company Viz:

a] Provisions relating to e-voting, quorum, demand for poll have been brought in with the Companies Act, 2013.

b] the statutory provisions of the Companies Act, 2013, which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included so as to allow the Company maximum flexibility in its operations.

C] the AoA facilitate the appointment of the same person as Chairperson as well as the Managing Director / Chief Executive Officer of the Company in terms of Section 203 of the Companies Act, 2013; and

d] Some of the provisions of the existing AoA which are already part of the rules made under the Companies Act, 2013 have not been reproduced in the new draft AoA as they would only lead to duplication and would warrant, repealed alteration as and when the rules are changed/amended.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors and / or key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at Item No.9 of the Notice.

Your Directors recommend the resolution as at Item No.9 for your approval.

By Order of the Board
For SRM Energy Limited

Sanjeevlata Samdani
Company Secretary

Place: Mumbai,
Dated: August 14, 2014
CIN: L17100MH1985PLC037364

Registered Office:
54, 5th Floor, Bajaj Bhawan,
226, Nariman Point,
Mumbai 400 021
Tel.: 91 22 66151690 / 2009 Fax.: 91 22 6616 8900
Email: ss.maheshwari@srmenergy.in
Website: www.srmenergy.in

REPORT OF THE DIRECTORS

The Directors present herewith the Twenty Seventh Annual Report together with the Audited Standalone Accounts of the Company for the year ended March 31, 2014.

FINANCIAL RESULTS (STANDALONE)

₹ in Millions

Description	Year Ended 31-03-2014	Year Ended 31-03-2013
Other Income	-	-
TOTAL REVENUE	-	-
Loss before exceptional and extraordinary and tax	(4.02)	(3.28)
Exceptional Items	-	-
Loss before extraordinary items and tax	(4.02)	(3.28)
Extra-ordinary Items	-	-
Loss before Tax	(4.02)	(3.28)
Tax Expense	-	-
Loss for the year	(4.02)	(3.28)

EFFECT OF SCHEME OF ARRANGEMENT :

For the speedy implementation of the power project of the Company, The Hon'ble Bombay High Court had approved the Scheme of Arrangement (the 'Scheme') under Section 391 to 394 of the Companies Act, 1956, for Hive off of "Cuddalore Power Division" to SRM Energy Tamilnadu Private Limited (SETPL), a wholly owned subsidiary of the Company with effect from April 01, 2012 (the "Appointed Date") vide its order dated September 03, 2013.

In accordance with the said Scheme, the Cuddalore Power Division of the Company has been transferred to its Wholly Owned Subsidiary, SRM Energy Tamilnadu Pvt. Ltd. (SETPL) with effect from April 01, 2012 (the "Appointed Date"). The orders of the High Court were filed with the Registrar of Companies, Mumbai on October 11, 2013, and (the Effective Date"). In terms of the Scheme, all the assets and liabilities of the Cuddalore Power Division of the Company at their respective Book Values as on April 01, 2012 and also all consents, approvals, sanctions, licenses, contracts pertaining to the Cuddalore Power Division of the Company have been transferred to SETPL. The transaction for the period from April 01, 2012 to March 31, 2013 of the Cuddalore Power Division are deemed to have been carried on by the Company for and in trust and are treated as transactions of SETPL.

ALLOTMENT OF EQUITY SHARES BY SRM ENERGY TAMILNADU PVT. LTD.

As per the terms of the Scheme, the net consideration was satisfied by SETPL to the Company by allotment of 13,10,000 equity shares of Rs.10 each, credited as fully paid up to the Company and payment of the balance amount of Rs. 27,151/- on October 18, 2013.

OPERATIONS

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

The Company proposes to induct financial / strategic investor into the subsidiary to take care of the equity requirements. Subsequently, significant portion of the debt requirements is proposed to be met through loans from the Chinese Banks Consortium. For meeting the domestic debt requirements, the Company proposes to mandate one of the leading banks / financial institutions.

DIVIDEND

As the Power project is under implementation and there is no operating income, your directors are not in a position to recommend any dividend.

DIRECTORS

Mr. Gagan Rastogi, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment as Director of the Company, liable to retire by rotation, in the said meeting.

Mr. Vishal Rastogi was appointed as Managing Director on February 21, 2014 and holds office up to the ensuing Annual General Meeting. The Company has received a notice under Section 160 the Companies Act, 2013 from a member signifying the candidature of Mr. Vishal Rastogi for appointment as Managing Director of the Company without remuneration for a term of 5 years and shall be liable to retire by rotation in the ensuing annual general meeting.

Mr. Sameer Rajpal and Mr. Vijay Sharma have been appointed as the Additional Directors on the Board of your Company with effect from February 11, 2014. Mr. Pranav Kumar has appointed as the Additional Directors on the Board of your Company with effect from March 11, 2014.

Your Company has received the notice under section 160 the Companies Act, 2013 together with the requisite deposit from the shareholders, in respect of Mr. Sameer Rajpal, Mr. Vijay Sharma and Mr. Pranav Kumar, proposing their appointments as the Directors on the Board of the Company. The Resolutions seeking approval of the members for their appointment as Directors have been incorporated in the Notice Convening the Annual General Meeting.

Mr. Jayaram Shetty and Mr. Sudarshan Parab, Directors of the Company resigned from the Board on January 24, 2014 and January 25, 2014 respectively. Mr. D. Sundararajan, Managing Director & CEO of the Company resigned from the Board on February 11, 2014.

Brief profile of the Director proposed to be reappointed as required under Clause 49 of the Listing Agreement are annexed to the Notice of Annual General Meeting forming part of this Annual Report.

INDEPENDENT DIRECTORS

Pursuant to Section 149 of the Companies Act, 2013 (new Act) read with the Rules made thereunder, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each. In terms of revised clause 49 of the listing agreement which will be applicable from October 01, 2014, in case the Independent Director has already served for 5 or more years, he can be appointed for only one term of 5 years. As per new Act, the Nominee Director is not considered to be an Independent Director.

Presently, Mr. Pranav Kumar, Mr. Sameer Rajpal and Mr. Vijay Sharma are the Independent Directors of the Company.

As per their existing terms of appointment, all of them are liable to retire by rotation. However, under the new Act and Clause 49 of listing agreement, they may be appointed afresh with a fixed period of up to 5 years.

The Board considered the independence of each of the above mentioned Directors in terms of Section 149 and Schedule IV to the Companies Act, 2013 and Clause 49 of the listing agreement and was of the view that the proposed directors fulfill the criteria of independence as mentioned in the above provisions and can be appointed as Independent Directors. All the proposed directors possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Company's business.

Keeping in view, the educational / professional qualifications, working experience, expertise in line with Company's business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended their appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of 27th Annual General Meeting of the Company.

SUBSIDIARY COMPANY & RELATED COMPLIANCES

As per Section 212 (1) of the Companies Act, 1956, the Company is required to attach to its accounts, the Director's Report, Balance Sheet and Profit and Loss Account etc. of each of its subsidiaries. However a general exemption has been granted by the Ministry vide its General Circular No. 2/2011, dated - February 08, 2011 under section 212(8) of the Companies Act, 1956 for not attaching the said details.

Your Company has one wholly owned subsidiary company viz. SRM Energy Tamilnadu Private Limited, which does not have any operations at present. Hence, the Board of Directors have decided to avail the exemption.

Accordingly, a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the aforesaid wholly owned subsidiary for the year ended March 31, 2014 have not been attached with the financial statements of your Company. However, the annual accounts of the subsidiary company and the related detailed information are available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary company are kept for inspection by any shareholder at the Registered office of the holding company and of the

subsidiary company concerned and a note to the above effect will be included in the annual report of the holding company.

LISTING

The equity shares continue to be listed on the BSE Limited (BSE). The BSE has nation-wide terminals and therefore, shareholders / Investors are not facing any difficulty in trading in the shares of the Company from any part of the country. The Company has paid annual listing fee for the financial year 2014-15 to BSE.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public pursuant to Section 58-A of the Companies Act, 1956.

CORPORATE GOVERNANCE CODE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a compliance report on Corporate Governance is annexed as part of the Annual Report.

DEMATERIALISATION OF SHARES

In terms of the notification issued by the Securities and Exchange Board of India (SEBI) the Company has dematerialized its shares with both the depositories CDSL and NSDL.

CODE OF CONDUCT

The Code of Conduct, as adopted by the Board of Directors is applicable to all Directors, Senior Management and Employees of the Company. This code is based on fundamental principles, viz. good corporate governance and good corporate citizenship. The Code covers Company's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly work place, transparency and accountability and legal compliance.

CORPORATE GOVERNANCE

Your Company has implemented the conditions of Corporate Governance as contained in Clause 49 of listing agreement. Separate reports on Corporate Governance and Management Discussion and Analysis along with necessary certificates are given elsewhere in this Annual Report.

AUDITORS

M/s Haribhakti & Co., Chartered Accountants (CAs), (Firm registration No. 103523W) Mumbai, were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on December 09, 2013.

M/s Haribhakti & Co., have been the Auditors of the Company since 2008 -09 and have completed a term of Six years. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

They have informed the Board that with a view to uphold the highest standards of corporate governance and changes under the Companies Act, 2013, they would like to offer themselves to be re-appointed as auditors in the forthcoming Annual General Meeting of the Company, have agreed to and given their consent for their appointment as statutory auditors of the Company.

M/s Haribhakti & Company, Chartered Accountants, Mumbai, the Statutory Auditors of your Company holds office upto the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013.

In terms of Section 139(2) of the Companies Act, 2013, the Board has recommended that M/s Haribhakti & Co., Chartered Accountants may be appointed as statutory auditors of the Company for a period of four consecutive years from the conclusion of the Twenty Seventh Annual General Meeting up to the 2018 of the Thirty First Annual General Meeting, subject to ratification at each Annual General Meeting, at a remuneration that may be decided by the shareholders

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under sub Section 2AA of Section 217 of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:-

- i) that in preparation of the annual accounts for the financial year ended on March 31, 2014, the applicable accounting standards had been followed along with proper explanations relating to material departures.
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under report.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and by preventing and detecting fraud and other irregularities.
- iv) that the Directors had prepared the accounts for the financial year ended on March 31, 2014 on a 'going concern basis'.

AUDITORS' OBSERVATIONS

Though the Company's networth has been substantially eroded and the Company has been incurring Cash Losses, the management is of strong view that the Company would turnaround with power project of the Wholly Owned Subsidiary getting operational. The Company also intends to start the projects in Maharashtra and Eastern India. The Company's present assets are adequate to meet the liabilities. The promoters are also committed to provide necessary funding to meet the liabilities and have provided Rs. 567.45 million as unsecured loan till March 31, 2014. Accordingly, the accounts have been prepared on going concern basis.

PARTICULARS UNDER SECTION 217

Since no employee is receiving remuneration in excess of limit specified under the provisions of Section 217 (2A) of the Companies Act, 1956 ,read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, Statement of particulars of employees do not form part of the report.

Statement of particulars under Section 217(1)(e) the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy and Technology Absorption are presently not applicable to the Company.

APPRECIATION

Your Directors wish to express their sincere appreciation to the Central Government, the State Governments, bankers and the business associates for their excellent support and look forward to continued support in future. Your Directors wish to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place: Mumbai,
Dated: August 14, 2014.

Chairman

ANNEXURE - I

CERTIFICATION ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE TO THE MEMBERS OF SRM ENERGY LIMITED Mumbai

We have examined the compliance of conditions of corporate governance by SRM ENERGY LIMITED for the year ended March 31, 2014 as stipulated in Clause 49 of the Agreements of the said Company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreements.

On the- basis of representation receive from Registrars and Share Transfer agents and as per the records maintained by the Company which are presented to the Share Transfer Committee, we state that during the year ended March 31, 2014 no investor grievances are pending for a period exceeding one month.

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

M/s. D.C.TANNA & ASSOCIATES
Company Secretaries

D.C.TANNA
Proprietor

Place: Mumbai,
Dated: August 14, 2014



MANAGEMENT DISCUSSION AND ANALYSIS

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

OVERVIEW:

STATE OF THE ECONOMY

GLOBAL

According to the International Monetary Fund [IMF], while the global economy expanded by 3.0% in CY 2013, rate of growth was slower compared to 3.2% in CY 2012. The growth was more robust in the second half of CY 2013, but the pickup was uneven. While the recovery was more broad-based in advanced economies, it was mixed in emerging markets.

Stronger growth in advanced economies opens up greater export opportunities for manufacturers from emerging economies.

INDIA

A SNAPSHOT

- The Indian economy continued to slowdown in FY 2013-14 with GDP growth at 4.7%.
- Policy Logjam, elevated interest rates and tight liquidity led to an investment slowdown while high consumption demand coupled with supply side bottlenecks resulted in high inflation dampening business confidence.
- Fiscal Deficit soared to 4.6% leading to tight leash on Government expenditure further exacerbating the slowdown.
- Manufacturing recorded de-growth of 0.7% with slower growth in auto production and consumer durables.
- The silver lining was agriculture growth at 4.7% which cushioned the sluggish industrial sector growth.

FY 2013-14 saw the Indian economy recording its second successive year of sub five per cent growth the lowest it has recorded in a decade. The prolonged slowdown was a result of a confluence of factors – a policy logjam, higher spending leading to large fiscal deficit, tight monetary conditions and weak external demand. Coupled with the slowdown was persistent inflation, which raised stagflationary fears.

On the positive side, timely measures by the Reserve Bank of India and the Government helped stabilize the Rupee after a steep fall in FY 2012-13. Measures such as curbs on gold imports also helped bring down the Current Account Deficit, which towards the end FY 2012-13 had threatened to plunge the economy in a crisis from 4.7% GDP in FY 2012-13 to 1.7% FY 2013-14.

OUTLOOK

GLOBAL

World economy is projected to grow at 3.6% in CY 2014 up from 3% in CY 2013. This is forecast to be driven by the Advanced Markets with sharp recovery in Europe from -0.5% to 1.2% and US from 1.9% to 2.8%. Japan is expected to continue pushing monetary easing to stoke demand. Emerging Markets are projected to exhibit a moderate growth at 4.9%. China's increasing focus on "Quality" is expected to moderate its investment stimulated growth from 7.7% in CY 2013 to 7-7.5%

However, downside risks to this growth trajectory arise from the tapering of quantitative easing in the US that poses a threat of reversing interest cycle and regression for investment flows to Emerging Markets. The diverging challenges of inflation between Advanced and Emerging Markets along with rising corporate leverage and elevated debts in the Advanced Markets could contribute to these risks.

INDIA

A decisive mandate in the Central Elections has re-kindled hopes of an economic revival. The new government has promised to focus on infrastructural development while de-bottlenecking the administrative and clearance procedures. This is expected to boost the investment climate in the country.

However overcoming two years of policy paralysis as well as correcting the deep structural imbalances in the economy is likely to take time. As a result Indian economy is expected to show moderate improvement with GDP growth expected to be in the region of 5-6%.

However higher food inflation as a result of a failed monsoon due to EL Nino, as well as rising fuel prices due to the political instability in West Asia could act as dampeners.

ENERGY SECTOR

1.1 Global Energy Demand

Global energy demand growth is now primarily being driven by the non-OECD markets. Energy demand in non-OECD markets that stood at 307 QBTU in 2013 has grown at over 4.5% per year since 2000 while OECD markets with a total demand of 240 QBTU in 2013 have witnessed a muted growth of less than 0.5% per year during the same period.

Meeting such a growth in demand, a significant part of which will be in the form of electricity, is a complex challenge, given the need to strike a balance between energy cost, energy security and sustainability.

1.2 Global Energy Supply

While oil and coal are expected to remain the predominant sources of energy in the next 20-25 years, their rate of growth in the global energy mix is expected to reduce in the future. Cleaner sources of energy such as Renewables are expected to gain momentum.

As far as electricity is concerned, coal is expected to remain the largest source of fuel (over 35%) over the next 20-25 years, driven by growth in India and China. Sources such as Nuclear and Renewables are expected to be the fastest growing sources of power. Natural gas is expected to get a boost as a generation source, driven by shale gas usage in the United States and subsequently in a few other geographies.

With the global energy demand continuing to increase, energy sources will continue to evolve and diversify through technological development. The increase in demand and spiralling prices will put pressure on organisations and countries to innovate.

There is a growing move by some of the developed economies to evolve 'Carbon Tax' on CO₂ generating sources. This scheme is being propositioned against the CDM concept. Other potential alternatives need to be evaluated to balance the interests of developing and developed nations.

1.3 India Scenario

Greater scale of electrification, increasing household incomes and a fast growing economy with a GDP growth rate of 5-8% has been pushing the demand for electricity in the upward direction. Per capita electricity consumption has increased at a CAGR of 5% over the last five years and has reached 917 kWh in 2012-13 from 717 kWh in 2007-08. Considering that this consumption is much

lower than the global average consumption of 2,800 kWh, it is expected that India will continue to see a growth in demand as more electricity provides tremendous room to improve quality of life.

1.4.1 Generation

The installed generating capacity in the country as on March 31, 2014, was 243 GW (and an additional 39 GW of captive power). Grid capacity addition during the financial year for the country was 20 GW as compared to capacity addition of 23 GW during the previous financial year.

1.4.6 Regulatory Environment

Regulatory reforms in the power sector are critical given the current challenges across the value chain. The following are some of the important regulatory changes in FY14:

CERC Tariff Regulation 2014

CERC has notified the Tariff Regulations for FY14-19 which will be enforced for a period of five years from April 01, 2014 to March 31, 2019 and applicable on all Central Generating Stations, Inter-State Generating Stations and the Inter-State Transmission Systems for whom the tariff is determined under Section 62 of EA, 2003. The key changes are with regards to tax and calculation of incentives for thermal power plants. As per the new regulations, the base rate of Return on Equity (RoE) would be grossed up with the effective tax rate of the respective financial year. The effective tax rate would be considered on the basis of actual tax paid for in respect of the financial year by the generating company. The incentive for thermal power plants would be calculated based on the Plant Load Factor (PLF) instead of Plant Availability Factor (PAF) and would be paid 50 paise/kWh for every unit generated above 85% PLF. Apart from these, the regulations have tightened the operating parameters of Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for thermal power plants.

CERC Deviation Settlement Mechanism Regulations 2014

On February 17, 2014, CERC has put in place the new Regulations on Deviation Settlement Mechanism thereby abolishing the erstwhile Unscheduled Interchange (UI) Mechanism for settlement of deviation from declared schedule. The new regulations have introduced a volume limit for buyers and sellers depending on their approved schedule, tightened the band of frequency and increased the charges for deviation from schedule. This will help improve grid discipline and ensure better demand predictability by states and avoid usage of UI as a trading platform.

Standard Bidding Documents for Case-1 and Case-2

Ministry of Power (MoP) issued the revised Standard Bidding Documents (SBD) for both Case-1 and Case-2 power procurement process on November 08, 2013 and September 20, 2013 respectively. Case-2 document is based on Design, Build, Finance, Operate and Transfer (DBFOT) model and Case-1 document is on Design, Build, Finance, Own and Operate (DBFOO) model. MoP has also issued the Guidelines under Section 63 of EA, 2003 to enable state utilities to use the model SBD for inviting tariff based bids under Case-1 and Case-2.

Several concern areas have been observed in the documents such as the DBFOT model that restricts the role of the project developer, issues pertaining to treatment of fuel pricing, role of independent engineer, PPA termination, operating norms and domestic procurement of key packages.

Coal Regulatory Authority

On March 04, 2014, Ministry of Coal (MoC) has notified the establishment of Coal Regulatory Authority (CRA) under the administrative control of the MoC. The primary function of the CRA is to advise the Central Government on the formulation of the principles and methodologies for determination of price of coal (raw,

washed and any other byproduct), formulation of policies in coal sector, promotion of competition, efficiency and economy in the activities of the coal industries, promotion of investment in coal industry, development of mining technology, beneficiation methods to improve mining and conservation of coal resources. The CRA shall consist of a Chairperson and four members to be appointed by the Central Government.

HIVE OFF

For the speedy implementation of the power project of the Company, The Hon'ble Bombay High Court had approved the Scheme of Arrangement (the said Scheme) under Section 391 to 394 of the Companies Act, 1956, vide its order dated September 3, 2013 for Hive off of "Cuddalore Power Division" to SRM Energy Tamilnadu Private Limited (SETPL), a wholly owned subsidiary of the Company with effect from April 01, 2012. In accordance with the said Scheme, the Cuddalore Power Division of the Company has been transferred to its Wholly Owned Subsidiary, SRM Energy Tamilnadu Pvt. Ltd. (SETPL) with effect from April 01, 2012 (the "Appointed Date"). The orders of the High Court were filed with the Registrar of Companies, Mumbai on October 11, 2013, which is called Effective date. In terms of the Scheme all the assets and liabilities of the Cuddalore Power Division of the Company at their respective Book Values as on April 01, 2012 and also all consents, approvals, sanctions, licenses, contracts pertaining to the Cuddalore Power Division of the Company have been transferred to SETPL. The transaction for the period from April 01, 2012 to March 31, 2013 of the Cuddalore Power Division are deemed to have been carried on by the Company for and in trust and are treated as transactions of SETPL.

The Company proposes to induct financial / strategic investor into the subsidiary to take care of the equity requirements. Subsequently, significant portion of the debt requirements is proposed to be met through loans from the Chinese Banks Consortium. For meeting the domestic debt requirements, the Company proposes to mandate one of the leading banks / financial institutions.

PROJECT AT CUDDALORE

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

The Company's applications for allotment of Govt. land entrapped in the project site are in advanced state of process with the authorities concerned and it is expected that the necessary allotments will be received shortly.

HUMAN RESOURCES

The Company has a team of dedicated work force who are regarded amongst its most valuable assets. Adequate opportunities like sponsoring for training programs and seminars are provided to the professional staff to update themselves in the changing technological era.

INTERNAL CONTROL SYSTEMS

The Company has a well defined internal control system for operations, financial reporting and statutory compliances. Suitable internal checks have been built over the financial reporting system to ensure that transactions are properly authorised, accounted for and reported. Regular internal audits by an external Audit Firm gives more teeth to the internal control systems. In addition, review of subsidiary companies was carried out this year. The summary findings are reported to the audit committee of the Board who actively review the same and suggest ways and means for improving and strengthening the internal control systems.

OPPORTUNITIES AND THREATS

The growth in the domestic market is currently constrained given the uncertainties around fuel supply, financial condition of discoms, challenges of land acquisition, water linkages and environmental clearances. However, it is expected to start looking up with the implementation of reforms which are inevitable as the power sector is a key driver supporting the growth of the nation at large.



Due to the current financial stress in the power sector, there are assets which may be available for acquisition. Your Company is evaluating and will continue to evaluate opportunities to acquire projects in various stages of development across the country.

Given the increasing difficulty of acquiring land for future capacity addition, your Company is actively evaluating and pursuing opportunities to acquire land in strategic markets in the country. Your Company is in the process of acquiring suitable land parcels and power projects in the states of Maharashtra and Eastern part of India.

RISKS AND CONCERNS

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

- The poor financial health of SEBs coupled with the rising cost of generation creates further stress due to inability of discoms to procure power at higher costs with the possible risk of generation assets getting stranded.
- The Government's efforts to control the increasing Regulatory Assets and subsidy bills of the discoms are on through measures like the Debt Restructuring scheme. However, the process of correcting the current state of financial stress of the discoms is a long term process and will continue to impact growth in the sector.
- Delays in land acquisition, environmental clearances and other approvals remain an area of concern.
- Volatility in the international prices of coal leading to increased cost of imported coal coupled with unavailability of domestic coal. Lack of water is another threat to the capacity addition plans, since about 79% of the upcoming capacity will be in areas of water scarcity. There is a need to address this through de-salination plants or developing coastal power plants.
- Power Projects face major land acquisition hassles, coupled with stringent regulatory mechanism, leading to delays in obtaining clearances required for the project.
- Shortages/ delays in supply of main and Balance of plant equipments.
- Exchange rate fluctuations – the Indian Rupee has considerably depreciated against all major currencies thus increasing the project costs and funding requirements.
- The availability and cost of capital for funding of new projects could also be a cause of concern, given that power projects are capital intensive. The economic and monetary policies will need to play a key role in ensuring that these projects receive timely funds.
- Considering the huge amount of funds required and the gestation period for the projects, financing of power projects is always a constraint.
- Lack of availability of skilled manpower.

RISK MANAGEMENT

The Company has defined Risk Policy to govern and mitigate the risks involved in its activities. The policies will be reviewed periodically and corrective actions taken wherever required, especially considering the volatility in currency movements. The Company will be exposed to Currency Risks both during the project implementation stage and operations. During the project implementation stage the Company will be exposed to currency fluctuation risks, considering that the EPC Contract has been awarded to an overseas contractor and major portion of funding for the project is expected to be in Foreign Currency. Subsequently on commencement of operations, the Company will be exposed to currency as well as

price risks since major portion of coal requirement is proposed to be met through imports.

The Risk Management framework of the Company ensures, amongst others, compliance with the requirements of Clause 49 of the Listing Agreement. The Risk Policy ensures providing and review of risks associated with the economy, statutory regulations, competition, foreign exchange, interest rate etc by the Board.

Risk Management as a formal exercise began in your Company as require in the Clause 49 mandate. Risks are evaluated based on the probability and impact of each risk. The Risk Management Committee (RMC) has been formed which comprises the Executive Directors, Chief Risk Officer and other senior managers.

The RMC meets every quarter to review the risk plans and to suggest further mitigation action points. The Audit Committee of Directors reviews the major risks at quarterly Audit Committee meetings.

CAUTIONARY STATEMENT

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

ANNEXURE - II

MD / CEO CERTIFICATION

This is to certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year ended March 2014 and that to the best of my knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any and the steps taken or proposed to be taken to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit committee:
 - i) significant changes in internal control systems during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which I have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system.

Vishal Rastogi
Managing Director

Place: Mumbai,
Dated: August 14, 2014



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that adoption of good corporate governance practices ensures accountability of the person's in-charge of the Company and ensures benefits to all the stakeholders including shareholders, employees, Govt. agencies and authorities, lenders and suppliers. The Company lays strong emphasis on these aspects of the Corporate Governance along with independent supervision to ensure accountability and increase in the stakeholder values.

The Company is in compliance with clause 49 of its listing agreements with the BSE and the Indian corporate governance rules applicable to it.

1. BOARD OF DIRECTORS

The Board of Directors consists of 5 directors. Composition and category of Directors is as follows:

Name	Position
Mr. Vishal Rastogi	Managing Director (Appointed w.e.f. February 21, 2014)
Mr. Gagan Rastogi	Promoter Director
Mr. Sameer Rajpal	Non-Executive Independent Director (Appointed w.e.f. February 11, 2014)
Mr. Vijay Sharma	Non-Executive Independent Director (Appointed w.e.f. February 11, 2014)
Mr. Pranav Kumar	Non-Executive Independent Director (Appointed w.e.f. March 11, 2014)

a. Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies:

Name of Director	Attendance Particulars		No. of other Directorship / Chairmanship(s) Board Committees of other Companies	
	Board Meeting	Last AGM	Other Directorship (s) #	Committee Membership(s) ##
Mr. Vishal Rastogi (Appointed w.e.f. February 21, 2014)	02	NA	NIL	NIL
Mr. Gagan Rastogi	05	Yes	Nil	Nil
Mr. Sameer Rajpal (Appointed w.e.f. February 11, 2014)	03	NA	1	2 (as Chairman)
Mr. Vijay Sharma (Appointed w.e.f. February 11, 2014)	02	NA	NIL	NIL

Mr. Pranav Kumar (Appointed w.e.f. March 11, 2014)	01	NA	1	1
Mr. D. Sundararajan (Resigned on February 11,2014)	03	Yes	1	Nil
Mr. Sudarshan K. Parab (Resigned on January 25,2014)	03	Yes	1	1
Mr. Srinivasan Parthasarathy (Resigned on August01,2013)	02	NA	Nil	Nil
Mr. Jayaram Shetty (Appointed w.e.f. October 18, 2013 and Resigned on January 24,2014)	01	Yes	N.A.	N.A.

The Directorships held by Directors as mentioned above, do not include Alternate Directorship and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

In accordance with the Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committee of all Public Limited Companies (excluding SRM Energy Limited) have been considered.

b. Number of Board Meetings held and the dates on which held:

Five Board Meetings were held during the year. The dates on which the meetings were held are as follows: August 1, 2013, October 18, 2013, February 11, 2014, February 21, 2014 and March 11, 2014.

2. COMMITTEES OF THE BOARD

Details of the Standing Committees of the Board and other related information are provided here under:

A. Audit Committee:

Composition: The Board of the Company has reconstituted an Audit Committee, which meets with the requirements under Section 292A of the Companies Act, 1956, comprising the following:-

Mr. Sameer Rajpal - Chairman

Mr. Gagan Rastogi - Member

Mr. Vijay Sharma - Member

Mrs. Sanjeevlata Samdani is the Secretary to the Audit Committee.

Objective: The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the Company's risk management policies.

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

- a. To oversee financial reporting and disclosure process.
- b. To recommend the appointment and removal of statutory auditors and decide their remuneration.
- c. To review financial results and statements, before submission to the Board, focus primarily on-
 - I. Any change in accounting policies and practices.
 - II. Major accounting entries, based on exercise of judgment by the management.
 - III. Qualifications in the draft audit report.
 - IV. Significant adjustments arising out of the audit.
 - V. Going concern assumption.
 - VI. Compliance with accounting standards.
 - VII. Compliance with Stock Exchange and legal requirements concerning financial statements.
 - VIII. Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with larger interests of the Company.
- d. To oversee adequacy of internal control systems.
- e. Reviewing adequacy of internal audit function, coverage and frequency of internal audit report.
- f. Discussion with internal auditors and concurrent auditors on any significant findings in their reports and follow up thereon.
- g. Discussion with external auditors before audit commences, as regards nature and scope of audit, as well as having post audit discussions to ascertain any areas of concern.
- h. Reviewing the Company's financial and risk management policies.

Meetings: During the year, the Committee has met Four times. The dates on which the meetings were held are as follows: May 10, 2013, August 01, 2013, October 18, 2013 and February 21, 2014.

B. Stakeholder's Relationship Committee

Composition: The Board of the Company has reconstituted a Stakeholder's Relationship Committee, comprising the following:-

Mr. Vishal Rastogi	-	Chairman
Mr. Gagan Rastogi	-	Member
Mr. Sameer Rajpal	-	Member

Terms of Reference: The Committee, inter-alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. This committee also deals the matters related to share transfer. The Company has resolved all the complaints received from the shareholders during the year.

The Board has designated Mrs. Sanjeevlata Samdani, Company Secretary as the Compliance Officer.

Meetings: During the year, the Committee has met 13 times. The dates on which the meetings were held are as follows: May 28, 2013, July 09, 2013, July 31, 2013, August 07, 2013, August

17, 2013, October 24, 2013, November 26, 2013, December 06, 2013, December 12, 2013, December 20, 2013, January 04, 2014, January 30, 2014 and March 07, 2014.

DETAILS OF INVESTORS COMPLAINTS DURING THE YEAR

Total Complaints received- 2, resolved- 2, Pending- nil

C. Nomination & Remuneration Committee

Composition: The Board has constituted the Nomination & Remuneration Committee comprising the following.

Mr. Sameer Rajpal	-	Chairman
Mr. Gagan Rastogi	-	Member
Mr. Vijay Sharma	-	Member

Terms of Reference: the Nomination & Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and whole – time Directors, based on their performance and defined assessment criteria.

Meetings: During the year, no Committee meeting was held.

Further, as the Company is in Project implementation stage and not generating any business income, the Managing Director of the Company decided not to draw any remuneration from the Company.

Details of remuneration paid to the Directors for the year:

The aggregate value of salary and perquisite for the year ended March 31, 2014, to Whole Time Directors– Rs. Nil.

Shares held by Directors:-NIL

The non-executives Directors have opted not to take the sitting fees for the Board Meeting.

3. SUBSIDIARY COMPANIES

The Company does not have any material non – listed Indian subsidiary, whose turnover or net worth (paid- up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively of the Company.

As on March 31, 2014, the Company has only one wholly owned subsidiary Company viz. “SRM Energy Tamilnadu Private Limited”.

The Minutes of the subsidiary company as well as statement of significant transactions and arrangements entered into by the unlisted subsidiary company is placed before the Board Meeting of the Company for their review.

4. DISCLOSURES

a) Disclosures on materially significant related party transactions

The related party transactions are placed before Audit Committee as well as to the Board of Directors on a quarterly basis. For the Financial Year ended March 31, 2014 there were no transactions of material nature entered into with any of the related parties which were not on the arm 's length basis or that may have conflict with the interest of the Company. The particulars of related party transactions have been disclosed under Note 19 of the Financial Statements.



b) Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the financial statements.

c) Details of non-compliance with regard to the Capital Market

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

d) Disclosure of Risk Management

The Company has a defined Risk Management Policy to mitigate the risks inherent in its activities and provides for compliance with various statutory requirements. The Audit Committee of the Board is regularly informed about the business risks and steps are taken to mitigate the same.

e) Whistle Blower Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the same, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the same cannot be undermined.

Clause 49, inter alia provides for a non-mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for 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 Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company.

The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Chairman of the Audit Committee or the Investigators. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee, as the case may be.

f) Sexual Harassment Policy

The Company is an equal employment opportunity Company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company, have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable. The Supreme Court has also directed companies to lay down guidelines and a forum for redressal of grievances related to sexual harassment. The Company has a policy on Prevention of Sexual Harassment of Employees which extends to all employees of the Company.

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No. Complaint has been filed before the said committee till date.”

5. **MANAGEMENT DISCUSSION AND ANALYSIS**

A detailed report on Management Discussion and Analysis forms part of the Directors' Report.

6. **SHAREHOLDER'S INFORMATION**

a. **Communication to Shareholders**

The Company's quarterly financial results, presentation, official news release and other general information about the Company are uploaded on the Company's website (www.srmenergy.in).

The quarterly financial results of the Company are generally published in Free Press Journal and NavShakti, Mumbai.

b. **General Body Meetings**

Location and time for last 3 years General Meetings were:

Year	AGM	Location	Date	Time
2010-11	24 th AGM	The Banquet Hall, Hotel Atithi, 77A & B, Nehru Road, Near Domestic Airport, Vile Parle (E), Mumbai-400099	July 11, 2011	12.00 noon
2011-12	25 th AGM	The Banquet Hall, Hotel Atithi, 77A & B, Nehru Road, Near Domestic Airport, Vile Parle (E), Mumbai-400099	September 28, 2012	11.00 a.m.
2011-12	Court convened Meeting	The Banquet Hall, Hotel Atithi, 77A & B, Nehru Road, Near Domestic Airport, Vile Parle (E), Mumbai-400099	September 28, 2012	11.30 a.m.
2012-13	26 th AGM	Killachand Hall, IMC Building, IMC Marg, Church gate, Mumbai -400020	December 09, 2013	12 noon

c. **Details of Special Resolution (s) passed at General Meeting during last three years Annual General Meetings (AGM)**

Year	AGM	Detail of Special Resolution, if any.
2010-11	24th AGM	N.A.
2011-12	Court convened Meeting	Pursuant to Sections 391 to 394 of the Companies Act, 1956 (the "Act"), regarding the Scheme of Arrangement between SRM Energy Limited and SRM Energy Tamilnadu Private Limited.
2011-12	25th AGM	N.A.
2012-13	26th AGM	N.A.

d. Extraordinary General Meetings (EGM)
No EGM was held during the last financial year.

e. Details of Resolution(s) passed through postal ballot
No resolution(s) was passed through postal ballot during the last financial year.

7. MD / CEO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the MD / CEO certifications appended as an annexure to this report.

8. REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report forms part of the Annual Report. The Company is in full compliance with all the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange.

9. COMPLIANCE

A Certificate from M/s D.C.Tanna & Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange is annexed and forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting (For Financial Year 2013- 2014)

Date and Time : September 30, 2014 at 02.00 PM

Venue : Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near
Andheri Railway Station, Andheri (East), Mumbai – 400 069

2. Financial Calendar (Tentative and subject to change)

Financial Results for the Quarter ending June 30, 2014	Held on August 14, 2014
Financial Results for the Quarter ending September 30, 2014	on November 15, 2014
Financial Results for the Quarter ending December 31, 2013	on February 14, 2015
Financial Results for the Quarter ending March 31, 2014	on May 31, 2015
Annual General Meeting	on September 2015

3. Books closure date Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (both days inclusive).

4. Listing of Equity Shares BSE Limited

5. (a) Stock Code: BSE Code-523222

(b) Demat ISIN Numbers ISIN No. INE 173J01018

In NSDL/CDSL for Equity Shares:

6. E-Voting

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members have been

provided the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL).

7. Corporate Identity Number (CIN)

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is L17100MH1985PLC037364

8. Stock Market Data:

Months	Bombay Stock Exchange (BSE) (In Rs.)		Volume (No. of Shares)
	Month's High Price	Month's Low Price	
April 2013	7.35	6.69	525
May 2013	6.99	6.99	50
June 2013	0	0	0
July 2013	0	0	0
August 2013	7	6.66	151
September 2013	6.90	6.56	85
October 2013	6.24	5.64	160
November 2013	5.40	4.76	5156
December 2013	0	0	0
January 2014	4.90	4.90	100
February 2014	0	0	0
March 2014	4.90	4.90	100

Source : www.bseindia.com

9. Registrar and Share Transfer Agents:

Datamatics Financial Services Ltd.,
Plot No.B-5, Part B Cross Lane, MIDC,
Andheri- East, Mumbai- 400093.
Phone:022-66712151- 2156
Fax:022-66712161

10. Share Transfer System:

Presently, the share transfers which are received in Physical form are processed and the share certificates returned within a period of 15 from the date of lodgement, subject to the documents being valid and complete in all respects. All requests for dematerialization of shares Processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

11. Distribution of shareholding as on March 31, 2014

Categories	No. of Shares	%
Non Resident Indians / OCB	9097	0.10
Financial Institutions	0	0.00
Mutual Funds / UTI	305700	3.37
Bodies Corporate	6712278	74.09
Resident Individuals	2032925	22.44
Total	9060000	100.00

12. Detail of shares in demat form

Out of total 90,60,000 equity Shares only 79,80,050 (88.08%) equity shares are held in demat form.

13. Investors' Correspondence
- | | For shares held in physical form | For shares held in Demat form |
|--|--|--|
| A. For transfer/dematerialization of shares and any other query related to the shares of the Company | Datamatics Financial Services Ltd,
Plot No.B-5, Part B Cross Lane,
MIDC, Andheri-East,
Mumbai- 400093.
Phone:022-66712151-2156
Fax:022-66712161 | To the depository Participant |
| B. Any Query on Annual Report | | SRM Energy Limited
Regd. & Admin Office:
54, Bajaj Bhawan, 5 th floor, 226, Nariman Point,
Mumbai 400 021. |

INDEPENDENT AUDITORS' REPORT

To the Members of SRM Energy Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of SRM Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and 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 Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 26 of the financial statements. As stated therein, the Company's net worth has been substantially eroded, However, the accompanying financial statements have been

prepared on a going concern basis, after giving due considerations to all matters more fully explained in the aforesaid note. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books;
 - c. 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;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Atul Gala
Partner
Membership No. 048650

Gurgoan,
Date: May 29, 2014

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of SRM Energy Limited on the financial statements for the year ended 31st March, 2014]

- (i) (a) Consequent upon demerger of the Company, All fixed assets of the Company (except Capital Work-in- Progress amounting to ₹ 1.08 Million) have been transferred to wholly owned subsidiary SRM Energy Tamilnadu Private Limited. Hence, clause 4 (ii) (a) and 4 (ii) (b) of the Order are not applicable to the Company.
- (b) On the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) The Company did not hold any inventory during the year. Hence, clause 4 (ii) (a), 4 (ii) (b) and 4 (ii) (c) of the Order are not applicable to the Company.

- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the Order are not applicable.
- (e) As informed, the Company had taken unsecured interest free loan from a party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 5.12 million and the year-end aggregate balance of loans taken from such parties was ₹ 5.12 million.
- (f) In our opinion and according to the information and explanations given to us, terms and conditions for such interest free loan are not, prima facie, prejudicial to the interest of the Company.
- (g) The said loan is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in aforesaid internal control system of the Company.
- (v) According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year which are required to be entered in the register maintained under that Section. Accordingly, clause v (b) of the order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of the class of the Company (i.e. Electricity Industry). However, since the Company is in the pre-operative stage, maintenance of cost records is considered as applicable only upon commencement of commercial operations.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues of income-tax and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ in million	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	TDS	0.73	A.Y 2003-04 to 2006-07	CIT(Appeals)

- (x) In our opinion, the accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The Company has not borrowed any amount from banks, financial institution or debenture holders. Hence the provisions of clause 4(xi) of the Order are not applicable to the Company.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used short term funds amounting to ₹ 3.54 millions for long term purpose, to meet its operational expenditure/loss.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Atul Gala
Partner
Membership No. 048650

Gurgoan,
Date: May 29, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014 ₹ million		As at 31.03.2013 ₹ million	
Equity and Liabilities					
Shareholder's Funds					
Share Capital	4	90.60		90.60	
Reserves and Surplus	5	(82.69)	7.91	(78.67)	11.93
Non-current Liabilities					
Long-term Provisions	6	0.49	0.49	-	-
Current Liabilities					
Short-term Borrowings	7	5.12		2.42	
Other Current Liabilities	8	0.97		0.36	
Short-term Provisions	6	0.04	6.13	-	2.78
	TOTAL		14.53	14.71	
Assets					
Non-current Assets					
Fixed Assets					
(c) Capital Work-in-Progress	9	1.08	1.08	1.08	1.08
Non-current Investments	10		13.20		0.10
Non-current Investments	11		-		13.10
Suspense account					
			14.28	14.28	
Current Assets					
Cash and Cash Equivalents	13		0.15		0.40
Short-term Loans & Advances	12		0.10		0.03
			0.25	0.43	
	TOTAL		14.53	14.71	
Significant accounting policies	2				

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For and on behalf of the Board of Directors

Atul Gala
Partner
Membership No. 048650

Vishal Rastogi
Managing Director
Sanjeevlata Samdani
Company Secretary

Gagan Rastogi
Director

Place : Gurgaon,
Date : May 29, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For The Year Ended 31.03.2014 ₹ million	For The Year Ended 31.03.2013 ₹ million
REVENUE			
Revenue From Operations			
Other Income		-	-
Total Revenue		-	-
EXPENSES			
Employee Benefit expenses	14	1.71	-
Other Expenses	15	2.31	3.28
Total Expenses		4.02	3.28
Loss before exceptional and extraordinary items and tax		(4.02)	(3.28)
Exceptional Items		-	-
Loss before extraordinary items and tax		(4.02)	(3.28)
Extra-ordinary Items		-	-
Loss before Tax		(4.02)	(3.28)
Tax Expense			
1) Current		-	-
2) Deferred		-	-
		-	-
Loss for the year		(4.02)	(3.28)
Earnings Per Equity Share (₹)	23		
Basic		(0.44)	(0.36)
Diluted		(0.44)	(0.36)

Significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

 For Haribhakti & Co.
 Chartered Accountants
 Firm Registration No. 103523W

 Atul Gala
 Partner
 Membership No. 048650

 Place : Gurgoan,
 Date : May 29, 2014

For and on behalf of the Board of Directors

 Vishal Rastogi
 Managing Director

 Gagan Rastogi
 Director

 Sanjeevlata Samdani
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For The Year Ended 31.03.2014 ₹ million	For The Year Ended 31.03.2013 ₹ million
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(4.02)	(3.28)
ADJUSTMENTS FOR		
Interest and Finance Expenses	-	-
Interest Income	-	-
CWIP Written off	-	0.99
Sundry Balances Written off	-	0.02
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(4.02)	(2.27)
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	0.61	(0.21)
Increase/(Decrease) in Short-term Provisions	0.04	-
Increase/(Decrease) in Long-term Provisions	0.49	-
Decrease/(Increase) in Short-term Loans and Advances	(0.07)	(0.01)
Decrease/(Increase) in Long-term Loans and Advances	-	-
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	<u>(2.94)</u>	<u>(2.49)</u>
Income Tax Refund/(Paid)	-	-
NET CASH (OUTFLOW) / GENERATED FROM OPERATING ACTIVITIES (A)	<u>(2.94)</u>	<u>(2.49)</u>
(B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital Advances	-	-
Proceeds from Sale of Fixed Assets	-	-
Purchase of Non-current Investments in Subsidiary Company	-	-
Purchase of Current Investments	-	-
NET CASH USED IN INVESTMENT ACTIVITIES (B)	<u>-</u>	<u>-</u>
(C) CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Long-term Borrowings	-	-
Proceeds from Short-term Borrowings (net)	3.40	2.42
Repayment of Short-term Borrowings	(0.70)	-
Interest and Finance Charges Paid	-	-
NET CASH FROM FINANCIAL ACTIVITIES (C)	<u>2.70</u>	<u>2.42</u>
(D) NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(0.25)</u>	<u>(0.07)</u>
(E) CASH & CASH EQUIVALENTS - OPENING BALANCE	<u>0.40</u>	<u>0.47</u>
Less: Transferred to SETPL as per Scheme of Arrangement (Refer note no. 29)	-	-
(F) CASH & CASH EQUIVALENTS - CLOSING BALANCE	<u>0.15</u>	<u>0.40</u>

As per our attached report of even date

 For Haribhakti & Co.
 Chartered Accountants
 Firm Registration No. 103523W

For and on behalf of the Board of Directors

 Atul Gala
 Partner
 Membership No. 048650

 Vishal Rastogi
 Managing Director
 Sanjeevlata Samdani
 Company Secretary

 Gagan Rastogi
 Director

 Place : Gurgoan,
 Date : May 29, 2014


NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED MARCH 31, 2014

1 CORPORATE INFORMATION

SRM Energy Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The company is in the process of setting up the Thermal Power Project in various parts of India particularly in Maharashtra, Eastern India.

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

The Financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) & the relevant provisions of the Companies Act 1956. The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company & are consistent with those used in the previous year.

ii Use of Estimates

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

iii Fixed Assets

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

In respect of accounting periods commencing on or after 7th December, 2006, exchange difference arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

iv Expenditure During Construction Period

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

v Depreciation & Amortization

Depreciation on Fixed Assets is provided on Straight Line Method as per the useful lives of the assets estimated by the management or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher except for goodwill which will be amortised over a period of five years after the commencement of commercial production of the projects. Depreciation on additions is charged proportionately from the date of acquisition. Assets individually costing less than or equal to rupees Five thousand have been fully depreciated in the year of purchase.

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

Particulars	Useful Life
Office Equipment	3 – 10 years
Furniture	10 years
Computers	5 years

vi Impairment of Assets

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

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

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

vii Investments

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

viii Foreign Currency Transactions

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

ix Employee benefits

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

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

Leave Encashment are provided based on actuarial valuation made using projected unit method at the end of the financial year

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

x Borrowing Cost

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

xi Leases

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

xii Earning Per share

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

xiii Taxation

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

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

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

xiv Provisions

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xv Contingent Liabilities

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

xvi Cash Flow Statement

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

3 SCHEME OF ARRANGEMENT :

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

4 SHARE CAPITAL

	31.03.2014		31.03.2013	
	No. million	₹ million	No. million	₹ million
Authorised Shares				
Equity Shares of ₹10/- each	11.30	113.00	11.30	113.00
	11.30	113.00	11.30	113.00

The shareholders of the Company have given their approval for increase of Authorised Capital to ₹ 15 million pursuant a resolution passed on August 13, 2010 through postal ballot. The process with Registrar of Companies is underway to increase the same.

Issued, subscribed and paid up

Equity Shares of ₹10/- each fully paid up	9.06	90.60	9.06	90.60
	9.06	90.60	9.06	90.60

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

Equity Shares

At the beginning of the year	9.06	90.60	9.06	90.60
Issued during the year	-	-	-	-
Outstanding at the end of the year	9.06	90.60	9.06	90.60

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

c Details of Equity Shares issued for consideration other than cash during the period of last five years:

Particulars	Year Ended	No. million	₹ million
	31.03.2014		
	31.03.2013	-	-
	31.03.2012	-	-
	31.03.2011	-	-
	31.03.2010	-	-



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

	31.03.2014		31.03.2013	
	No. million	% holding	No. million	% holding
Equity Shares of ₹ 10 each fully paid up Spice Energy Pvt. Ltd., the holding company	6.45	71.19%	6.45	71.19%
	6.45	71.19%	6.45	71.19%

e Terms / rights attached to equity shares

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

	31.03.2014	31.03.2013
	₹ million	₹ million
5 Reserves and Surplus		
Surplus / (Deficit) in the statement of Profit and Loss		
Balance as per last financial statements	(78.67)	(75.39)
Loss for the Current year	(4.02)	(3.28)
Balance at the end of the year	(82.69)	(78.67)

	Long-term		Short-term	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹ million	₹ million	₹ million	₹ million
6 Provisions				
Provision for employee benefit				
Provision for Gratuity (Unfunded)	0.23	-	0.01	-
Provision for Leave Encashment (Unfunded)	0.26	-	0.03	-
	0.49	-	0.04	-

	31.03.2014	31.03.2013
	₹ million	₹ million
7 Short-term Borrowings		
Spice Energy Private Limited (Unsecured & repayable on demand)	5.12	2.42
	5.12	2.42
8 Other Current Liabilities	0.43	0.28
Sundry Creditors for Expenses	0.45	0.07
Provision for Expenses	0.09	0.01
Other Liabilities	0.97	0.36

9 Capital work in Progress

The Company is in the process of setting up the Thermal Power Projects in various parts of the Country, particularly in Maharashtra and Eastern India. During the year, company has not incurred any expenses related to project.

Particulars	As at	As at
	31.03.2014	31.03.2013
	(₹ million)	(₹ million)
i) Opening Balance	1.08	234.13
Less: Transferred as per Scheme of Arrangement	-	232.06
Less: Written off during the year	-	0.99
Add: Expenditure incurred during the current year	-	-
Closing Balance (i - ii + iii)	<u>1.08</u>	<u>1.08</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
	<u>₹ million</u>	<u>₹ million</u>
10 Non-current Investments		
Non - trade Investments (valued at cost unless stated otherwise)		
Investment in equity instruments (Unquoted)		
-Investment in Equity Instruments of Wholly Owned Subsidiary Company		
1.32 million (Previous year 0.01 million) Equity Shares in SRM Energy	13.20	0.10
Tamilnadu Pvt. Ltd. of ₹.10 each fully paid up		
	<u>13.20</u>	<u>0.10</u>
11 Non-current Investment Suspense Account		
1.31 million (Previous year nil) Equity Shares to be issued by SRM Energy	-	13.10
Tamilnadu Pvt. Ltd. of ₹.10 each fully paid up as per Scheme of		
Arrangement		
	-	<u>13.10</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
	<u>₹ million</u>	<u>₹ million</u>
12 Short Term Loans and Advances		
Unsecured Considered good		
Amount recoverable from Subsidiary - SRM Energy Tamilnadu Pvt.Ltd.as		
per Scheme of Arrangement	-	0.03
Advances recoverable in cash or in kind	0.10	-
	<u>0.10</u>	<u>0.03</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
	<u>₹ million</u>	<u>₹ million</u>
13 Cash and Cash Equivalents		
Balances with Banks in Current Account	0.13	0.38
Cash on Hand	0.02	0.02
	<u>0.15</u>	<u>0.40</u>

14 Employee Benefit expenses		
Salaries	1.18	-
Gratuity (refer note no. 20)*	0.24	-
Leave Enchisement	0.29	-
	1.71	-
15 Other Expenses		
Advertisement Expenses	0.18	0.10
Auditors' Remuneration (Refer Note no. 18 below)	0.47	0.13
Business Promotion Expenses	-	0.20
Postage, Telephone & Telex	0.06	0.05
Printing and Stationery	0.05	0.16
Legal and Professional Charges	0.23	1.20
Litigation Settlement	0.65	
Interest on TDS (@ = ₹ 2701)	@	-
Right Issue Expenses	-	0.04
Secretarial Service Charges	0.24	0.23
Sundry Balances Written Off	-	0.02
CWIP Written off	-	0.99
Bank Charges	0.01	-
Miscellaneous Expenses	0.29	0.16
Travelling & Conveyance Expenses	0.13	-
	2.31	3.28
16 Capital and other commitments		
i) Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2014 : Nil (Previous year: Nil)		
17 Contingent Liabilities:		
17.1 Disputed dues of Income tax due to non/late deposit of TDS for the assessment years 2003-04 to 2006-07: ₹ 0.73 million/- (Previous year - ₹0.73 million)		
17.2 There has been an instance of non-compliance of Section 295 of Companies Act in 2007-08 for which compounding application has been filed with Company Law Board.		
	31.03.2014	31.03.2013
	₹ million	₹ million
18 Auditors Remuneration (Refer note no 15 above)		
Audit Fees (including limited review)	0.46	0.12
Out of Pocket Expenses	0.01	0.01
Total	0.47	0.13
19 EXPENDITURE IN FOREIGN CURRENCY		
Travelling Expenses	-	0.04

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

Defined Benefits Plans		
Gratuity		
Actuarial Assumptions	2013-14	2012-13
Discount Rate (Per Annum)	9.36%	8.00%
Rate of increase in compensation levels (Per Annum)	5%	5%
Expected average remaining lives of the employees (in no of years)	12	11
Attrition Rate	2%	2%
	₹ million	₹ million
Particulars	2013-14	2012-13
I Change in Present Value of Obligation		
Present value of defined benefits obligation as at the beginning of the year	-	0.99
Transferred to SRM Energy Tamilnadu Pvt. Ltd. as per the Scheme of Arrangement (refer note no.3)	-	-0.99
Interest Cost	0.15	-
Current Service Cost	0.34	-
Benefits Paid	-	-
Actuarial (Gain) / loss on obligation	(0.25)	-
Present value of defined benefits obligation as at the end of the year	0.24	-
II Amount recognised in the Balance Sheet		
Liability at the end of the year	0.24	-
Fair Value of Plan Assets at the end of the year	-	-
Difference	0.24	-
Unrecognised Past Service Cost	-	-
Unrecognised Transitional Liability	-	-
Amount recognised in the Balance Sheet	0.24	-
III Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	0.34	-
Past Service Cost	-	-
Interest Cost	0.15	-
Expected Return on Plan Assets	-	-
Recognition of Transitional Liability	-	-
Net Actuarial (Gain)/Loss Recognised in the year	(0.25)	-
Total expenses recognised in the Statement of Profit & Loss	0.24	-
IV Balance Sheet Reconciliation		
Liability at the beginning of the year	-	0.99
Transferred to SRM Energy Tamilnadu Pvt. Ltd. as per the Scheme of Arrangement	-	-0.99
Expenses as above	0.24	0
Employers' Contribution	-	0
Amount recognised in the Balance Sheet	0.24	0

V Disclosures as required under Para 120(n):

Particulars	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Present value of defined benefit obligation	0.24	-	0.99	0.46	0.23
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.24)	-	(0.99)	(0.46)	(0.23)
Experience adjustment on liability {loss/(gain)}	(0.21)	-	0.24	0.02	(0.22)

In assessing the Companies Post retirement liabilities, the Company monitors mortality assumptions and uses up to date mortality tables, the base being the LIC 1994-96 ultimate tables.

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

21 Segment Reporting :

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

22 Related Party Transactions as per Accounting Standard – 18:

A. List of Related Parties

1) Holding Company:

Spice Energy Pvt. Ltd

2) Subsidiaries:

SRM Energy Tamilnadu Pvt. Ltd. (Wholly owned subsidiary)

3) Key Management Personnel :

Vishal Rastogi Managing Director w.e.f February 21, 2014

Gagan Rastogi Director

D. Sundararajan Managing Director & CEO up to February 11, 2014

4) Enterprises over which key management personnel and relatives of such personnel exercise significant influence

Sovinchem Industries Pvt. Ltd.

B. Transactions with Related Parties

₹ million

Particulars	Holding Company		Subsidiary		Enterprises where key management personnel and their relatives exercise significant influence	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Investment in Wholly owned subsidiary as per Scheme of Arrangement	-	-	13.10	0.10	-	-
Share Application Money transferred to Unsecured Loan	-	498.20	-	-	-	-

Loan transferred to SRM Energy Tamilnadu Pvt. Ltd. as per the Scheme of Arrangement	-	498.20	-	-	-	3.30
Loan Received*	3.40	2.42	-	-	-	-
Loans repaid*	0.70	-	-	-	-	-
Expenses incurred on our behalf	0.20	-	0.02	-	-	-
Closing Balance:						-
Investment in Wholly owned subsidiary	-	-	13.20	-	-	-
Creditors for expenses	-	-	0.02	-	-	-
Loan Payable	5.12	2.42	-	-	-	-

* exclude amount received and repaid on behalf of Wholly Owned Subsidiary as per Scheme of Arrangement (refer note 3)

23 Earnings Per Share (EPS):

Particulars	31.03.2014	31.03.2013
	₹ million	₹ million
Net Loss as per Profit and Loss Account (in ₹)	(4.02)	(3.28)
Weighted average number of equity shares (par value of ₹.10/- each)	9.06	9.06
Earnings per share (Face value of ₹ 10/- each)- Basic and Diluted (in ₹)	(0.44)	(0.36)

24 Deferred Tax:

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

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

26 Going Concern

Though the Company's net worth has been substantially eroded and the Company has been incurring Cash Losses, the management is of strong view that that the Company would turnaround with power project of the Wholly Owned Subsidiary getting operational. The Company also intends to restart the projects in Maharashtra and Eastern India. The Company's present assets are adequate to meet the liabilities. The Promoters are also committed to provide necessary funding to meet the liabilities and have provided ₹ 5.12 million as unsecured loan till March 31, 2014. Accordingly, the accounts have been drawn under the going concern assumption. However, there is a material uncertainty based in the above facts that may cast significant doubt on the Company's ability to continue as a Going Concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

27 Previous year figures have been regrouped and rearranged wherever necessary.

28 Figures are rounded off to the million.

For and on behalf of the Board of Directors

Vishal Rastogi
Managing Director

Gagan Rastogi
Director

Sanjeevlata Samdani
Company Secretary

Place : Gurgoan,
Date : May 29, 2014



STATEMENT PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary Company	SRM Energy Tamilnadu Private Limited
1 Financial year of the Subsidiary Company ended on	March 31, 2014
2 Extent of the Holding Company's interest in the Subsidiary	1.32 million Equity Shares of ₹10 each
% Holding (Equity)	100%
3 Net Aggregate amount of Profits / (Losses) of the subsidiary not dealt with in the accounts of SRM Energy Limited for the year ended March 31, 2014	Amount (₹ in million)
a) For the above Financial Year of the subsidiary so far as they concern members of the Company.	(0.27)
b) For previous years of the subsidiary since it became a subsidiary so far as they concern the members of the Company	(0.69)

For and on behalf of the Board of Directors

Vishal Rastogi
Managing Director

Gagan Rastogi
Director

Sanjeevlata Samdani
Company Secretary

Place : Gurgoan,
Date : May 29, 2014

INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SRM ENERGY LIMITED

To the Board of Directors of SRM Energy Limited

We have audited the accompanying consolidated financial statements of SRM Energy Limited (the "Company") and its subsidiary (the Company and its subsidiary jointly constitute "the Group") which comprise the consolidated balance sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 management, as well as evaluating the overall presentation of the consolidated 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 report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated financial statements" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of SRM Energy Limited and its subsidiary.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary, as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss 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.

Emphasis of Matter

We draw attention to Note no. 24 of the financial statements. As stated therein, the Company's network has been substantially eroded, However, the accompanying financial statements have been prepared on a going concern basis, after giving due considerations to all matters more fully explained in the aforesaid note. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 578.22 million as at March 31, 2014, total expenditure of ₹ 0.27 million and net cash outflows amounting to ₹ 0.12 million for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts included in respect of the subsidiary is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

Atul Gala
Partner
Membership No. 048650

Place : Gurgoan,
Date: May 29, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31.03.2014 ₹ million		As at 31.03.2013 ₹ million	
Equity and Liabilities					
Shareholders' Funds					
Share Capital	2	90.60		90.60	
Reserves and Surplus	3	(83.71)	6.89	(79.41)	11.19
Non-current Liabilities					
Long-term Provisions	4	1.26	1.26	3.17	3.17
Current Liabilities					
Short-term Borrowings	5	567.45		543.60	
Other Current Liabilities	6	3.83		2.59	
Short-term Provisions	4	0.08	571.36	0.21	546.40
	TOTAL		579.51		560.76
Assets					
Non-current Assets					
Fixed Assets					
(a) Tangible Assets	7	114.38		114.54	
(b) Intangible Assets	8	30.00		30.00	
(c) Capital Work-in-Progress	9	288.53	432.91	269.06	413.60
Long-term Loans and Advances	10		145.14		145.26
			578.05		558.86
Current Assets					
Cash and Cash Equivalents	11		0.31		0.44
Current Investments	12		-		0.41
Short-term Loans & Advances	10		1.15		1.05
			1.46		1.90
	TOTAL		579.51		560.76
Significant accounting policies	1				

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For and on behalf of the Board of Directors

Atul Gala
Partner
Membership No. 048650

Vishal Rastogi
Managing Director

Gagan Rastogi
Director

Place : Gurgoan,
Date : May 29, 2014

Sanjeevlata Samdani
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	For The Year Ended 31.03.2014 ₹ million	For The Year Ended 31.03.2013 ₹ million
REVENUE			
Revenue From Operations			
Other Income		-	-
Total Revenue		-	-
EXPENSES			
Employee Benefit expenses		1.71	-
Other Expenses	14	2.59	3.98
Total Expenses		4.30	3.98
Loss before exceptional and extraordinary items and tax		(4.30)	(3.98)
Exceptional Items		-	-
Loss before extraordinary items and tax		(4.30)	(3.98)
Extra-ordinary Items		-	-
Loss before Tax		(4.30)	(3.98)
Tax Expense			
1) Current		-	-
2) Deferred		-	-
		-	-
Loss for the year		(4.30)	(3.98)
Earning Per Equity Share (₹)	21		
Basic		(0.47)	(0.44)
Diluted		(0.47)	(0.44)
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

For and on behalf of the Board of Directors

Atul Gala
Partner
Membership No. 048650

Vishal Rastogi
Managing Director

Gagan Rastogi
Director

Place : Gurgaon,
Date : May 29, 2014

Sanjeevlata Samdani
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For The Year Ended 31.03.2014 ₹ million	For The Year Ended 31.03.2013 ₹ million
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(4.30)	(3.98)
ADJUSTMENTS FOR		
Interest Income	-	-
CWIP Written off	-	0.99
Sundry Balances Written off	-	0.02
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(4.30)	(2.97)
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	1.21	(3.61)
Increase/(Decrease) in Short-term Provisions	(0.12)	-
Increase/(Decrease) in Long-term Provisions	(1.91)	0.92
Decrease/(Increase) in Short-term Loans and Advances	(0.07)	0.71
Decrease/(Increase) in Long-term Loans and Advances	(0.31)	(0.80)
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	(5.50)	(5.75)
Income Tax Refund/(Paid)	-	-
NET CASH (OUTFLOW) / GENERATED FROM OPERATING ACTIVITIES (A)	(5.50)	(5.75)
(B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital Advances	(18.88)	(36.00)
Proceeds from Sale of Fixed Assets	0.01	-
Purchase of Current Investments	0.41	(0.41)
NET CASH USED IN INVESTMENT ACTIVITIES (B)	(18.46)	(36.41)
(C) CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Short-term Borrowings	94.89	269.02
Repayment of Short-term Borrowings	(71.04)	(226.92)
Interest and Finance Charges Paid	(0.02)	(0.03)
NET CASH FROM FINANCIAL ACTIVITIES (C)	23.83	42.07
(D) NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(0.13)	(0.10)
(E) CASH & CASH EQUIVALENTS - OPENING BALANCE	0.44	0.54
(F) CASH & CASH EQUIVALENTS - CLOSING BALANCE	0.31	0.44

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Atul Gala
Partner
Membership No. 048650

Place : Gurgoan,
Date : May 29, 2014

For and on behalf of the Board of Directors

Vishal Rastogi
Managing Director

Gagan Rastogi
Director

Sanjeevlata Samdani
Company Secretary



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :

i Basis of preparation

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

The Financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) & the relevant provisions of the Companies Act 1956. The financial statements have been prepared under the historical cost convention on an accrual basis, except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company & are consistent with those used in the previous year.

ii Principles of consolidation

a) The Financial statements of the Holding Company and its subsidiary Company (together the "Group") have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's separate financial statements.

iii Companies included in Consolidation

Name of the consolidated entity	Country of Incorporation	Nature of Interest	% of Interest
SRM Energy Tamilnadu Pvt. Ltd.	India	Subsidiary	100

iv Use of estimates

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

v Fixed Assets

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

In respect of accounting periods commencing on or after December 07, 2006 exchange difference arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted

from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

vi Expenditure During Construction Period

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

vii Depreciation and Amortization

Depreciation on Fixed Assets is provided on Straight Line Method as per the useful lives of the assets estimated by the management or at the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher except for goodwill which will be amortised over a period of five years after the commencement of commercial production of the power project. Goodwill arose during 2007-08 on amalgamation of SRM Energy Pvt. Ltd., a special purpose vehicle for implementing power project, into the Company as per the scheme of amalgamation approved by the Hon'ble High Courts at Mumbai & Delhi. Depreciation on additions is charged proportionately from the date of acquisition. Assets individually costing less than or equal to rupees Five thousand have been fully depreciated in the year of purchase.

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

Particulars	Useful Life
Office Equipment	3 – 10 years
Furniture	10 years
Computers	5 years

viii Impairment of Assets

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

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

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

ix Investments

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

x Foreign Currency transactions

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign

currency denominated asset and liabilities (monetary items) are translated into reporting currency at the exchange rates prevailing on the Balance Sheet date. Exchange difference arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are capitalized if related to the project or recognized in the Statement of Profit and Loss.

xi Employee benefits

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

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

Leave Encashment are provided based on actuarial valuation made using projected unit method at the end of the financial year. Actuarial gains and losses are recognized immediately in the Statement of Profit & Loss.

xii Borrowing Cost

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

xiii Leases

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

xiv Earnings per share

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

xv Taxation

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

(ii) Deferred tax resulting from "timing differences" between book and taxable profit is measured using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred

tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax

assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

xvi Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xvii Contingent Liabilities

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

xviii Cash Flow Statement

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

2	Share Capital	31.03.2014		31.03.2013	
		No. million	₹ million	No. million	₹ million
	Authorised Shares	11.30	113.00	11.30	113.00
	Equity Shares of ₹10/- each	11.30	113.00	11.30	113.00

The shareholders of the Company have given their approval for increase of authorised capital to ₹15 million pursuant a resolution passed on August 13, 2010 through postal ballot. The process with Registrar of Companies is underway to increase the same.

Issued, subscribed and paid up				
Equity Shares of ₹10/- each fully paid up	9.06	90.60	9.06	90.60
	<u>9.06</u>	<u>90.60</u>	<u>9.06</u>	<u>90.60</u>

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

Equity Shares

At the beginning of the year	9.06	90.60	9.06	90.60
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>9.06</u>	<u>90.60</u>	<u>9.06</u>	<u>90.60</u>

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

c. Details of Equity Shares issued for consideration other than cash during the period of last five years:

Particulars	Year Ended	No. million	₹ million
	31.03.2014	-	-
	31.03.2013	-	-
	31.03.2012	-	-
	31.03.2011	-	-
	31.03.2010	-	-

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

	31.03.2014		31.03.2013	
	No. million	% holding	No. million	% holding
Equity Shares of ₹ 10 each fully paid up				
Spice Energy Pvt. Ltd., the holding company	6.45	71.19%	6.45	71.19%
	<u>6.45</u>	<u>71.19%</u>	<u>6.45</u>	<u>71.19%</u>

e. Terms/ Rights attached to equity share

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

	31.03.2014	31.03.2013
	₹ million	₹ million
3 Reserves and Surplus		
Surplus/(Deficit) in the statement of Profit and Loss		
Balance as per last financial statements	(79.41)	(75.44)
(Loss) for the Current Year	(4.30)	(3.98)
Balance at the end of the year	<u>(83.71)</u>	<u>(79.41)</u>

4	Provisions	Long-term		Short-term		
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	
		₹ million	₹ million	₹ million	₹ million	
	Provision for employee benefit					
	Provision for Gratuity (Refer Note no.16)	0.59	1.44	0.01	0.04	
	Provision for Leave Encashment	0.67	1.73	0.07	0.17	
		1.26	3.17	0.08	0.21	
				31.03.2014	31.03.2013	
				₹ million	₹ million	
5	Short-term Borrowings					
	Inter Corporate Deposit from related party (Unsecured)			1.50	-	
	Loan From Directors (Unsecured & repayable on demand)			356.60	266.60	
	Spice Energy Private Limited (Unsecured & repayable on demand)			209.35	277.00	
				567.45	543.60	
6	Other Current Liabilities					
	Share Application Money pending Allotment (Received from holding company, Spice Energy Pvt. Ltd.)			-	-	
	Sundry Creditors for Expenses			2.86	1.76	
	Provisions for Expenses			0.55	0.43	
	Other Liabilities			0.42	0.40	
				3.83	2.59	
7	Tangible Fixed Assets					₹ million

Particulars	Land	Furniture & Fixtures	Office Equipments	Computer	Total	Previous year
Gross Block						
As at 01.04.2013	113.98	0.23	0.60	0.82	115.62	110.01
Additions during the year	-	-	0.01	-	0.01	5.65
Sales/(discarded) during the year	-	-	0.03	0.19	0.21	0.03
As at 31.03.2014	113.98	0.23	0.58	0.63	115.42	115.62
Depreciation						
As at 01.04.2013	-	0.10	0.39	0.60	1.09	-
Provided during the year	-	0.02	0.04	0.08	0.14	0.89
On Sale/adjustment	-	-	0.01	0.18	0.19	0.23
As at 31.03.2014	-	0.12	0.42	0.50	1.04	0.03
Impairment Loss						
As at 01.04.2013	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
As at 31.03.2014	-	-	-	-	-	-
Net Block						
As at 01.04.2013	113.98	0.13	0.21	0.22	114.54	-
As at 31.03.2014	113.98	0.11	0.16	0.13	114.38	-

Depreciation and Amortisation for the year	0.14	0.23
Less: Transferred to Preoperative expenses pending allocation	(0.14)	(0.23)
Depreciation & Amortisation as per Profit and Loss Account	-	-

8 Intangible Fixed Assets

	Current year ₹ million	Previous year ₹ million
Goodwill		
Gross Block		
As at 01.04.2013	30.00	30.00
Additions during the year	-	-
As at 31.03.2014	30.00	30.00
Amortisation		
As at 01.04.2013	-	-
Charge for the year	-	-
As at 31.03.2014	-	-
Net Block		
As at 01.04.2013	30.00	30.00
As at 01.04.2014	30.00	30.00

9 Capital work in Progress

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

Particulars	As on 31.03.2014 (₹ million)	As on 31.03.2013 (₹ million)
Opening Balance	269.06	234.13
Add: Expenditure incurred during the current year		
Salaries and Perquisites	11.02	18.06
Staff Welfare Expenses	0.03	0.07
Legal & Professional Fees	3.89	11.02
Travelling & Conveyance Expenses	0.52	1.55
Telephone / Internet Expenses	0.33	0.47
Auditors' Remuneration	0.11	0.23
Advertisement	-	0.03
Rent and Compensation	2.56	3.29
Vehicle Running Expenses	0.31	0.49
Repairs and Maintenance	0.05	0.02
Electricity Expenses	0.18	0.22
Printing & Stationery	0.14	0.59

Courier/Postage	0.03	-
Miscellaneous Expenses	0.70	0.70
Loss/Discard in Sale of Assets	0.01	-
Finance Cost	0.02	0.12
Depreciation & Amortisation	0.14	0.23
Total	20.04	37.09
Less : Dividend from Investment in Mutual Funds	-	0.02
Less : Exchange Rate Difference Gain (net)	0.57	0.34
Less: Liabilities Written back	-	0.81
Less: Pre-Operative Expenses W/Off	-	0.99
Net Expenses for the year	19.47	34.93
Closing Balance	(i - ii + iii) 288.53	269.06

10 Loans and Advances

	Long Term		Short Term	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹ million	₹ million	₹ million	₹ million
a Capital Advances				
Secured Considered good	-	-	-	-
Unsecured Considered good	144.03	144.46	-	-
	144.03	144.46	-	-
b Security Deposit				
Secured Considered good				
Unsecured Considered good	1.11	0.80	0.11	0.99
	1.11	0.80	0.11	0.99
c Other Loans & Advances				
Unsecured Considered goods				
Prepaid Expenses	-	-	-	0.02
Loans and advances to Employees	-	-	-	0.01
Advances recoverable in cash or in kind	-	-	1.04	0.04
	-	-	1.04	0.06
Total (a+b+c)	145.14	145.26	1.15	1.05
		31.03.2014		31.03.2013
		₹ million		₹ million
11 Cash and Cash Equivalents				
Balances with Banks in Current Account		0.29		0.41
Cash on Hand		0.02		0.03
		0.31		0.44



12	Current Investment		
	Balance in Liquid Funds	-	0.41
		-	0.41
		31.03.2014	31.03.2013
		₹ million	₹ million
13	Employee Benefit expenses		
	Salaries	1.18	-
	Gratuity (refer note no. 17) *	0.24	-
	Leave Enchisement	0.29	-
		1.71	-
		31.03.2014	31.03.2013
		₹ million	₹ million
14	Other Expenses		
	Advertisement Expenses	0.21	0.10
	Auditors' Remuneration	0.47	0.13
	Business Promotion Expenses	-	0.20
	Postage, Telephone and Telex	0.06	0.05
	Printing and Stationery	0.05	0.16
	Legal and Professional Charges	0.27	2.21
	Litigation Settlement	0.65	-
	Right Issue Expenses	-	0.04
	Secretarial Service Charges	0.24	0.23
	Demerger Expenses	-	0.67
	Sundry Balances Written off	-	0.02
	Stamp Duty/ Filing Fees/Frinking/Notary Charges	0.21	-
	Miscellaneous Expenses	0.30	0.17
	Travelling & Conveyance Expenses	0.13	-
		2.59	3.98
15	Capital and other commitments		
	i) Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2014 : Nil and as at 31/03/2013 : Nil		
	ii) For commitment relating to lease arrangements, please Refer Note 20 below.		
16	Contingent Liabilities:		
16.1	Disputed dues of Income tax due to non / late deposit of TDS for the assessment years 2003-04 to 2006-07: ₹ 0.73 million/- (Previous year - ₹ 0.73 million)		

16.2 There has been an instance of non-compliance of Section 295 of Companies Act in 2007-08 for which compounding application has been filed with Company Law Board.

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

Defined Benefits Plans			
Gratuity			
		2013-14	2012-13
	Actuarial Assumptions		
	Discount Rate (Per Annum)	9.36%	8.25%
	Rate of increase in compensation levels	5%	5%
	Expected average remaining lives of the employees (in no of years)	11	13
	Attrition	2%	2%
		₹ million	₹ million
	Particulars	2013-14	2012-13
	Change in Present Value of Obligation		
I	Present value of defined benefits obligation as at the beginning of the year	1.48	0.99
	Interest Cost	0.15	0.11
	Current Service Cost	0.34	0.30
	Benefits Paid	(1.22)	-
	Actuarial (Gain) / loss on obligation	(0.13)	0.08
	Present value of defined benefits obligation as at the end of the year	0.60	1.48
II	Amount recognised in the Balance Sheet		
	Liability at the end of the year	0.60	1.48
	Fair Value of Plan Assets at the end of the year		
	Difference	0.60	1.48
	Unrecognised Past Service Cost		-
	Unrecognised Transitional Liability	-	-
	Amount recognised in the Balance Sheet	0.60	1.48
III	Expenses recognised in the Pre-operative Expenses / Statement of Profit & Loss		
	Current Service Cost	0.34	0.30
	Past Service Cost	-	-
	Interest Cost	0.15	0.11
	Expected Return on Plan Assets		-
	Recognition of Transitional Liability	-	-
	Net Actuarial (Gain)/Loss Recognised in the year	(0.13)	0.08
	Total expenses recognised in the Preoperative Expenses / Statement of Profit & Loss	0.35	0.49
IV	Balance Sheet Reconciliation		
	Liability at the beginning of the year	1.48	0.99
	Expenses as above	0.35	0.49
	Employers' Contribution	(1.22)	-
	Amount recognised in the Balance Sheet	0.60	1.48

V Disclosures required under Para 120(n)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of defined benefit obligation	0.60	1.48	0.99	0.46	0.23
Fair Value of plan Asset	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.61)	(1.48)	(0.99)	(0.46)	(0.23)
Experience adjustment on liability	(0.10)	0.05	0.24	0.02	-0.22

In assessing the Companies Post retirement liabilities, the Company monitors mortality assumptions and uses up to date mortality tables the base being the LIC 1994-96 ultimate tables.

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

18 Segment Reporting :

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

19 Related Party Transactions as per Accounting Standard – 18:
A List of Related Parties
1) Holding Company:

Spice Energy Pvt. Ltd.

2) Enterprises over which key management personnel and relatives of such personnel exercise significant influence

(Parties with whom the Company has entered into transactions during the year)

Sovinchem Industries Pvt. Ltd.

3) Key Management Personnel :

Vishal Rastogi Managing Director w.e.f February 21, 2014

Gagan Rastogi Director

D. Sundararajan Managing Director & CEO up to February 11, 2014

B. Transactions with Related Parties

₹ million

Particulars	Holding Company		Key Management Personnel		Enterprise in which key management personnel and their relatives exercise significant influence	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Share Application Money Received	-	9.80	-	-	-	-
Share Application Money transferred to unsecured loan	-	508.00	-	-	-	-
Temp. Loans Repaid	88.27	245.20	-	-	-	3.30

Temp. Loans Taken	20.62	14.20	90.00	266.60	1.50	-
Interest Paid	-	-	-	-	-	0.10
Closing Balance:						
Share Application Money Pending Allotment	-	-	-	-	-	-
Loan Payable	209.35	277.00	356.60	266.60	1.50	-

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

The company has taken office premises under lease and license agreements against refundable interest free deposit. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. The obligation towards non-cancellable leases are as under:

Lease Obligation	31.03.2014	31.03.2013
	₹ million	₹ million
Not later than one year	-	-

Total lease payments recognised in the pre operative expenses during the period was ₹ 2.56 million (Previous Year : ₹ 3.29 million)

21 Earnings Per Share (EPS):

Particulars	31.03.2014	31.03.2013
	₹ million	₹ million
Net Loss as per Profit and Loss Account (in ₹)	(4.30)	(3.98)
Weighted average number of equity shares (par value of ₹10/- each)	9.06	9.06
Earnings per share (Face value of ₹ 10/- each)- Basic and Diluted (in ₹)	(0.47)	(0.44)

22 Deferred Tax:

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

23 In the case of Capital Advances amounting to ₹53 million, paid to two parties, the Company has initiated Arbitration proceedings and is confident of recovering the advances paid. As such, in the opinion of the management, the realizable value of Current Assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities are adequately made.

24 Going Concern

Though the Company's net worth has been substantially eroded and the Company has been incurring Cash Losses, the management is of strong view that that the Company would turnaround with Cuddalore power project getting operational. The Company also intends to restart the projects in Maharashtra and Eastern India. The Company's present assets are adequate to meet the liabilities. The Promoters are also committed to provide necessary funding to meet the liabilities and have provided ₹ 567.45 million as unsecured loan till March 31, 2014. Accordingly, the accounts have been drawn under the going concern assumption. However, there is a material uncertainty based in the above facts that may cast significant doubt on the Group's ability to continue as a Going Concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

- 25 Particulars of Derivative Instruments as at March 31, 2014 :
- i) No derivative instruments are acquired for hedging purposes.
 - ii) No derivative instruments are acquired for speculation purposes
 - iii) Foreign currency exposures that are not hedged by derivative instruments or otherwise are :
 - Capital advance of USD 0.10 million (previous year USD 0.10 million)
- 26 Previous year figures have been regrouped and rearranged wherever necessary.
- 27 Figures are rounded off to the million.

For and on behalf of the Board of Directors

Vishal Rastogi
Managing Director

Gagan Rastogi
Director

Sanjeevlata Samdani
Company Secretary

Place : Gurgaon,
Date : May 29, 2014

PROXY

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

27TH ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2014

Name of the member (s) :

Registered address :

E-mail Id :

Folio No / Client Id No :

DP Id No :

I / We being a member(s) of Shares of the above named Company hereby appoint:

(1) Name

Address

Email Id Signature or failing him;

(2) Name

Address

Email Id Signature or failing him;

(3) Name

Address

Email Id Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Tuesday, 30th September, 2014 at Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 at 02.00 pm and at any adjournment thereof in respect of such resolutions as are indicated overleaf:



Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	Ordinary Business:			
1	Adoption of Financial Statements and Reports thereon for the Year Ended 31st March, 2014.			
2	Re-appointment of Mr. Gagan Rastogi who retires by rotation			
3	Appointment of Statutory Auditors of the Company and fix their remuneration.			
4	To regularize the appoint of Mr. Vishal Rastogi as Director of the Company.			
5	To appoint Mr. Vishal Rastogi as Managing Director of the Company.			
6	Appointment of Mr. Sameer Rajpal as Independent Director.			
7	Appointment of Mr. Vijay Sharma as Independent Director.			
8	Appointment of Mr. Pranav Kumar as Independent Director.			
9	Approval of changes in the Articles of Association of the Company.			

Signed this day of, 2014

Signature of shareholder

Affix Re. 1.00 Revenue Stamp

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, SRM Energy Limited, 54, 5th floor, Bajaj Bhawan, 226, Nariman Point, Mumbai 400 021. not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deemed appropriate.
3. A Proxy need not be member of the Company.



ATTENDANCE SLIP

27TH ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2014

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I / we hereby record my / our presence at the Annual General Meeting of the Company held at Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 on Tuesday, 30th September, 2014 at 02.00 PM.

.....

Member's Folio / DP ID / Client ID No.	Member's / Proxy's name (in Block Letters)	Member's / Proxy's Signature
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Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

Note : Please read the instructions for e-voting given along with Annul Report. The Voting period starts from, 24th September, 2014 (9:00 am) and ends on 26th September, 2014 (6:00 pm). The voting module shall be disabled by CDSL for voting thereafter.

Note : PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.



ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

1. Name & Registered Address of Shareholder
(IN BLOCK LETTER)
2. Name(s) of Joint holders, if any
3. Registered folio No. / DP ID No. / Client ID No.*
(*Applicable to investors holding shares in dematerialized form)
4. Number of share(s) held
5. I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated August 14, 2014 by conveying my/our assent or dissent to the Resolutions by placing a tick (✓) mark at the appropriate box below.

Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Adoption of Financial Statements and Reports thereon for the Year Ended 31st March, 2014.			
2.	Re-appointment of Mr. Gagan Rastogi who retires by rotation			
3.	Appointment of Statutory Auditors of the Company and fix their remuneration.			
4.	To regularize the appoint of Mr. Vishal Rastogi as Director of the Company.			
5.	To appoint Mr. Vishal Rastogi as Managing Director of the Company.			
6.	Appointment of Mr. Sameer Rajpal as Independent Director.			
7.	Appointment of Mr. Vijay Sharma as Independent Director.			
8.	Appointment of Mr. Pranav Kumar as Independent Director.			
9.	Approval of changes in the Articles of Association of the Company.			

Place :

Date :

(Signature of the shareholder)

- Notes : (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
(ii) Last date for receipt of Assent / Dissent Form: Friday, September 26, 2014 (6.00 p.m. IST.)
(iii) Please read the instructions carefully before exercising your vote.





INSTRUCTIONS

General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he / she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent / dissent form and e-voting, then vote casted through e voting shall be prevailed, and vote cast through assent/dissent form shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched / e-mailed to the members whose names appear on the Register of Members as on August 29, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy.

Instructions for voting physically in Assent / Dissent Form

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Manish L. Ghia, Partner, M/s Manish Ghia and Associates, Company Secretaries, Mumbai and send the same at their cost to reach the Scrutinizer at the Datamatics Financial Services Ltd., Plot No. B-5, Part B Cross Lane, MIDC, Andheri – East, Mumbai 4000 093 on or before the close of working hours i.e. Friday, September 26, 2014 (6.00 p.m. IST). All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

BOOK-POST

If undelivered, please return to :

DATAMATICS FINANCIAL SERVICES LTD.

UNIT:- SRM ENERGY LIMITED

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

Tel. No.: +91-22-66712151 / 2156

Fax.: +91 22 66712161