



SRM ENERGY LIMITED

**28th Annual Report
2014-15**

28th Annual Report 2014-15

Corporate Information (As on August 13, 2015)

BOARD OF DIRECTORS

Mr. Vishal Rastogi	Managing Director
Mr. Sameer Rajpal	Director
Mr. Vijay Sharma	Director
Mr. Pranav Kumar	Director
Ms. Tanu Agarwal	Director (Appointed w.e.f. April 01, 2015)
Mr. Gagan Rastogi	Director (Resigned on November 11, 2014)

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

B/ 23 , Gundecha Onclave, Kherani Road,
Saki Naka, Andheri-East,
Mumbai-400072 Maharashtra
Tel. No.: +91-22-28523455
Email: ss.maheshwari@srmenergy.in
Website: www.srmenergy.in

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 Eighth Annual General Meeting of the members of SRM Energy Limited will be held on Wednesday, September 30, 2015 at 2.00 P.M. 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 Financial Statements (including Audited Consolidated Financial Statements) for the year ended March 31, 2015 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vishal Rastogi (DIN: 02780975), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies(Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), M/s. Vatss & Associates, Chartered Accountants, Gurgaon, (Firm registration No. 017573N), be and is hereby appointed as Auditors of the Company for a term of 5 years from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Thirty Third AGM of the Company to be held in the year 2020 (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 Ms. Tanu Agarwal as Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“RESOLVED THAT Ms. Tanu Agarwal (DIN: 07134266), who was appointed as an Additional Director of the Company with effect from April 1, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company pursuant to provisions of Section 161(1) of the Companies Act, 2013 (the Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation.”

5. To authorize the Board to borrow monies under section 180(l)(c) of the Companies Act, 2013 as a Special Resolution-

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which

term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company's bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of Rs. 1,000 Crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, matters, deeds and things as may be deemed necessary to give effect to this resolution.”

6. To authorize the Board to create charge / mortgage properties of the company under section 180(1)(a) of the Companies Act, 2013 as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

7. Increase in limits of investments in other bodies corporate

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 186 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the

Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the "Approvals") as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to make loan to any person or other body corporate to give guarantee or provide security in connection with a loan taken by subsidiaries / associates or any person or other body corporate; and to acquire by way of subscription, purchase or otherwise securities of anybody corporate on such terms and conditions as the Board, may, in its absolute discretion deem fit, notwithstanding the fact that the aggregate of the investments, so far made, or securities so far provided, loan/guarantee so far given by the Company along with the proposed investments which exceeds 60% of the paid up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher, provided that the maximum amount of investment made or loan/ guarantee given / security provided by the Company shall not exceed the sum of Rs. 500 Crores (Rupees Five Hundred Crores only) at any point of time.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all such acts, deeds and things as may be required or necessary to give effect to the above resolution."

By Order of the Board
For SRM Energy Limited

Sanjeevlata Samdani
Company Secretary

Place: Mumbai,
Dated: August 13, 2015

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013, in regard to the Special Business as set out in Items above is annexed hereto.
2. 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.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further a person can act on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights

may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. 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.
5. Corporate Members intending to send their authorised representatives pursuant to Section 113 of the Companies Act, 2013 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.
6. 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.
7. The Register of Members and Share Transfer Books of the company will remain closed from Thursday, September 24, 2015 to Wednesday, September 30, 2015 (both days inclusive).
8. 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.
9. Queries on accounts and operations of the Company, if any may please be sent to the Company seven days in advance of the meeting, to enable the information required be made readily available at the meeting.
10. 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.
11. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
12. Members who are holding Company's shares in dematerialised form are requested to bring details of their DP and client ID number for identification.
13. 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.
14. 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.
15. The Notice of the AGM and instructions for remote e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose e-mail address are registered with the Company/Depository Participant(s) unless member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by courier.
16. 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.

17. E-Voting process

The Company has provided 'remote e-voting' (e-voting from a place other than venue of the AGM) facility through Central Depository Services Limited (CDSL) as an alternative, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the notice of the Twenty Eighth Annual General Meeting of the Company, dated August 13, 2015 (the AGM Notice).

The facility for voting, either through ballot / polling paper shall also be made available at the venue of the Twenty Eighth Annual General Meeting. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the Scrutinizer for conducting the remote e-voting and the voting process at the Annual General Meeting in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed September 23, 2015 as the 'Cut-off Date'. The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date September 23, 2015 only.

18. The remote e-voting period begins on September 27, 2015 (09:00 am) and ends on September 29, 2015 (5:00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2015 may cast their votes electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on September 29, 2015.

I. PROCEDURE & INSTRUCTION FOR E-VOTING:

The e-voting facility is available at the link www.evotingindia.com

- A. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- B. Now click on "**Shareholders**" to cast your votes.
- C. Fill up the following details in the appropriate boxes:
 - i. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - ii. Next enter the Image Verification as displayed and Click on Login.
 - iii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

iv. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Divide-nd Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</p>

Sequence number is given at name and address slip pasted on the Annual Report.

D. After entering these details appropriately, click on “SUBMIT” TAB.

Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- E. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- F. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- G. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- H. Click on the EVSN for the SRM Energy Limited on which you choose to vote.
- I. 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.

- J. Click on the Resolution File Link if you wish to view the entire AGM Notice.
- K. 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.
- L. Once you ‘CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- M. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- N. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on September 30, 2015.

II. GENERAL

- A. In case of any queries regarding e-voting you may refer to the ‘user manual for shareholders to cast their votes’ available at www.evotingindia.com under ‘HELP’.
- B. If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- C. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date September 23, 2015.
- D. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e September 23, 2015 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
- E. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e September 23, 2015 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- H. M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai has been appointed as Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- K. The Results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.srmenergy.in and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to the Stock Exchanges.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 5 of the accompanying Notice

Ms. Tanu Agarwal was appointed as an Additional Director of the Company pursuant to the provisions of Sections 161 of the Companies Act, 2013, and Article 170 of the Company's Articles of Association under Non Executive Women Director Category w.e.f. April 1, 2015.

In terms of Section 161(1) of the Act, Ms. Tanu Agarwal holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Companies Act, 2013, has been received from a Member signifying its intention to propose the appointment of Ms. Tanu Agarwal as a Director of the Company, subject to approval of the Members in the ensuing annual general meeting, whose office shall be liable to retire by rotation.

Ms. Tanu Agarwal 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 Ms. Tanu Agarwal on Board will be beneficial to the operations of the Company and accordingly recommend the Resolutions at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Other than Ms. Tanu Agarwal, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the Resolution at Item No.5 of the accompanying Notice.

Item No. 6 and 7 of the accompanying Notice

On August 13, 2010, the Members of the Company by postal ballot had, by way of Ordinary Resolutions and in pursuance of the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, approved

- (i) borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained

from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 1,000 Crores at any point of time; and

- (ii) creation of a mortgage or charge for the said borrowings, as security by way of mortgage / hypothecation on the Company's assets in favour of lending agencies and trustees for the amounts borrowed i.e. upto Rs. 1,000 Crores, including interest, charges, etc. payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.

Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Directors commend the Resolutions at Item Nos. 6 and 7 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the passing of the Resolutions at Item Nos. 6 and 7 of the notice.

Item No. 8 of the accompanying Notice

The Company being engaged in the business of providing infrastructural facilities, the loans made, guarantees given or security provided by it are exempted from the provisions of Section 186 of the Act. However, as per Section 186 of the Act read with the Rules framed there under, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium, whichever is more.

The Company, proposes additional equity and equivalent investment in instruments of upto Rs. 500 crores.

The Board commends the Resolution at Item No.8 of the accompanying Notice for approval by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

Brief resume of directors being re-appointed (in pursuance Clause 49 of the Listing Agreement): Give detail f directors in the following format.

Name of the Director	Mr. Vishal Rastogi	Ms. Tanu Agarwal
Date of Birth	11 September, 1980	17 December, 1978
Nationality	Indian	Indian
Date of Appointment on the Board	21, February 2014	01, April 2015

Designation	Director	Director
Qualification	He is a Master of Computer Systems From London, UK.	She is a law graduate and also holds a post graduate degree in Commerce . fellow member of The Institute of Company Secretaries of India (ICSI), New Delhi.
Experience/Expertise	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.	She has vast experience of more than thirteen years in legal skills and practical business knowledge
Shareholding in the Company	Nil	Nil
Directorships in other Companies	1. SRM Energy Tamilnadu P. Ltd 2. Metropolitan Oil and Gas P.Ltd 3. Metropolitan Minerals P. ltd 4. Delhikem India Pvt Ltd. 5. BND Gas P Ltd 6. Nyra Holidays P Ltd 7. Metropolitan Gas (Odisha) P. Ltd 8. Encode Net Ventures P. Ltd. 9. Metropolitan Gas LLP	Nil
Membership in committees	Nil	Nil
Relationship with existing Directors of the Company	N.A	N.A

By Order of the Board
For SRM Energy Limited

Sanjeevlata Samdani
 Company Secretary

Place: Mumbai,
 Dated: August 13, 2015
 CIN: L17100MH1985PLC037364

Registered Office:

B/ 23, Gundecha Onclave, Kherani Road,
 Saki Naka, Andheri-East,
 Mumbai-400072 Maharashtra
 Tel. No.: +91-22-66151690 / 2009
 Email: ss.maheshwari@srmenergy.in
 Website: www.srmenergy.in

REPORT OF THE DIRECTORS

The Directors present herewith the Twenty Eighth Annual Report together with the Audited Standalone Accounts of the Company for the year ended March 31, 2015.

FINANCIAL RESULTS (STANDALONE)

₹ in Lacs

Description	Year Ended 31-03-2015	Year Ended 31-03-2014
Other Income	0.52	-
TOTAL REVENUE	0.52	-
Loss before exceptional and extraordinary and tax	(57.27)	(40.20)
Exceptional Items	10.80	-
Loss before extraordinary items and tax	(68.07)	(40.20)
Extra-ordinary Items	-	-
Loss before Tax	(68.07)	(40.20)
Tax Expense	-	-
Loss for the year	(68.07)	(40.20)

OPERATIONS:

The Company is in the process of setting up Thermal Power Projects at various locations more particularly in 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.

Though the Group's network has been significantly reduced and it has been incurring cash losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Company, in its meeting held on March 09, 2015 have decided to sell/dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

The power plant in the wholly owned subsidiary, which is intended to be sold /disposed off as explained above, is in Pre-operative stage and no expenses have been charged to Statement of Profit and Loss. Accordingly, the loss for the year does not include any loss relating to ordinary activities attributable to discontinuing operations.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

SUBSIDIARY COMPANY & RELATED COMPLIANCES

Your Company has one wholly owned subsidiary company viz. SRM Energy Tamilnadu Private Limited, which does not have any operations at present. A report on the performance and financial position is provided as Note 25 to the consolidated financial statement and hence not repeated here for the sake of brevity.

- No Companies which have become subsidiaries during the financial year 2014-15:
- No Companies which ceased to be subsidiaries during the financial year 2014-15:
- No company has become/ceased to be a joint venture or associate during the financial year 2014-15.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: [http://www.srmenergy.in/Data/Documents SRM% 20Energy %20-%20OD%20-%20Policy%20 for%20 Determining%20 Material% 20 Subsidiary.pdf](http://www.srmenergy.in/Data/Documents%20SRM%20Energy%20-%20OD%20-%20Policy%20for%20Determining%20Material%20Subsidiary.pdf)

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting

standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

- b) the Directors have 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 as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Policy%20on%20Dealing%20with%20Related%20Party%20Transactions.pdf>

Your Directors draw attention of the members to Note 22 to the financial statement which sets out related party disclosures.

RISK MANAGEMENT

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Vishal Rastogi, Managing Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment as Director of the Company, liable to retire by rotation, in the said meeting.

Mr. Gagan Rastogi, Director of the Company resigned from the Board on November 14, 2014. The Board places on record its deep appreciation for the valuable contribution made by him during his tenure as Director of the Company.

During the year under review, the members approved the appointments of Ms. Tanu Agarwal as an Additional Director of the Company pursuant to the provisions of Sections 161 of the Companies Act, 2013, and Article 170 of the Company's Articles of Association under Non Executive Women Director Category w.e.f. April 01, 2015.

In terms of Section 161(1) of the Act, Ms. Tanu Agarwal holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Companies Act, 2013, has been received from a Member signifying its intention to propose the appointment of Ms. Tanu Agarwal as a Director of the Company, subject to approval of the Members in the ensuing annual general meeting, whose office shall be liable to retire by rotation. The Resolutions seeking approval of the members for their appointment as Directors have been incorporated in the Notice Convening the Annual General Meeting.

Presently, Mr. Pranav Kumar, Mr. Sameer Rajpal and Mr. Vijay Sharma are the Independent Directors of the Company. Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://www.srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Familiarisation%20Process%20Policy.pdf>

The following policies of the Company are attached herewith marked as Annexure 1 and Annexure 2:

- 1) Policy for selection of Directors and determining Directors independence; and
- 2) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

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.

AUDITORS AND STATUTORS'S REPORT

Statutory Auditors

The present Statutory Auditors of the Company M/s Haribhakti & Co., Chartered Accountants (CAs), (Firm registration No. 103523W) Mumbai, have resigned on August 13, 2015.

In view of the above, the Board received a proposal to appoint M/s Vatss & Associates, Chartered Accountants, Gurgaon, (Firm registration No. 017573N, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Thirty Third AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM), to examine and audit the accounts of the Company at Mumbai. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

Statutors's Report

Though the Group's networth has been significantly reduced and it has been incurring cash losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Company, in its meeting held on March 09, 2015 have decided to sell / dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

The power plant in the wholly owned subsidiary, which is intended to be sold / disposed off as explained above, is in Pre-operative stage and no expenses have been charged to Statement of Profit and Loss. Accordingly, the loss for the year does not include any loss relating to ordinary activities attributable to discontinuing operations.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The Board has appointed Mrs. Ritika Agarwal, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure 3 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURES:

Audit Committee

The Audit Committee comprises Independent Directors namely Mr. Sameer Rajpal -Chairman, Mr. Vijay Sharma and Mr. Vishal Rastogi as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.srmenergy.in/Data/Documents/SRM%20Energy%20-%20OD%20-%20Whistle%20Blower.pdf>

Meetings of the Board

Seven meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as Annexure 4 to this Report.

Particulars of Employees and related disclosures

Since no employee is receiving remuneration in excess of limit specified under the provisions of provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Statement of particulars of employees do not form part of the report.

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

Statement of particulars under Section 134(3)(m) the Companies Act, 2013 read with relevant Rules regarding Conservation of Energy and Technology Absorption are presently not applicable to the Company.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to the Corporate Social Responsibility and Governance indicating the activities to be undertaken by the Company, as the Section 135 of the Act are not applicable to the Company
2. Details relating to deposits covered under Chapter V of the Act.
4. Issue of equity shares with differential rights as to dividend, voting or otherwise.
5. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
6. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

7. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
8. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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: Gurgaon,
Dated: August 13, 2015.

Chairman

CERTIFICATE 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, 2015 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 Agreement.

On the basis of representation received 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, 2015 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**

Place : Mumbai
Dated : August 13, 2015

D.C.TANNA
Proprietor
FCS 757 CP No. : 3257

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE -1

Policy for Selection of Directors and determining Directors' independence

1. Introduction

- 1.1 SRM Energy Limited (SRM) believes that a progressive Board consciously creates a background of direction to offer a long-term vision and policy approach to improve the quality of governance. Towards this, SRM ensures structure of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 SRM recognizes the significance of Independent Directors in achieving the efficiency of the Board. SRM aims to have an optimal combination of Executive, Non-Executive and Independent Directors.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to conclude the independence of Directors, in case of their appointment as independent directors of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 "Director" means a director appointed to the Board of a company.
- 3.2 "Human Resources, Nomination and Remuneration Committee" means the committee constituted by SRM 's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 3.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

4. Policy:

4.1 Qualifications and criteria

- 4.1.1 The Human Resources, Nomination and Remuneration (HRNR) Committee, and the Board, shall review on an annual basis, appropriate skills, acquaintance and knowledge required of the Board as a whole and its individual members. The objective is to have a Board with varied background and skill that are relevant for the Company's operations.
- 4.1.2 In evaluating the appropriateness of individual Board members, the HRNR Committee may take into account factors, such as:
 - common understanding of the Company's
 - Educational and professional background
 - position in the profession;

- individual and professional principles, integrity and ethics;
- passion to dedicate enough time and energy in carrying out their duties and responsibilities efficiently.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall effort to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

4.1.4 The HRNR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

4.2 Criteria of Independence

4.2.1 The HRNR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

4.2.2 The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its

holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lessor or lessee of the company.

f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.

g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

h. who is not less than 21 years of age.

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

4.3 Other directorships / committee memberships

4.3.1 The Board members are likely to have sufficient time and knowledge and skill to contribute to efficient Board performance. Accordingly, members should willingly limit their directorships in other listed public limited companies in such a way that it does not hamper with their role as directors of the Company. The HRNR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

ANNEXURE - 2 TO DIRECTORS' REPORT

Remuneration Policy for Directors, Key Managerial Personnel and other employees

1. Introduction

1.1 SRM Energy Limited (SRM) formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is rational and adequate to attract, retain and motivate, to run the company successfully.

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

3.1 **"Director"** means a director appointed to the Board of the Company.

3.2 **"Key Managerial Personnel"** means

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013

3.3 “**Human Resources, Nomination and Remuneration Committee**” means the committee constituted by SRM’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Human Resources, Nomination and Remuneration (HRNR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the HRNR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retiral benefits

(vi) Annual Performance Bonus

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the HRNR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors

4.2.1 The Board, on the recommendation of the HRNR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

4.3 Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, position, knowledge and current remuneration levels for comparable jobs.

5. In present circumstances the Managing Director is not taking any salary and rest all other Directors has also decided not to accept any sitting fees.

ANNEXURE 3 TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
SRM Energy Limited
B-23, Gundecha Onclave , Saki Naka, Andheri –East,
Mumbai – 400 072

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SRM Energy Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014 **(Not applicable to the Company during the Audit Period);**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Audit Period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified hence not applicable to the Company during the audit period**).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Ritika Agarwal

ACS No.23100,

C P No: 8266

Place: Mumbai

Date: August 13, 2015

ANNEXURE 4 TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

i	CIN	L17100MH1985PLC037364
ii	Registration Date	03/09/1985
iii	Name of the Company	SRM Energy Limited
iv	Category/Sub-category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office & contact details	B/ 23 , Gundecha Onclave, Kherani Road, Saki Naka, Andheri-East, Mumbai-400072 Maharashtra
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Datamatics Financial Services Ltd. Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai – 400 093

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

	All the business activities contributing 10% or more of the total turnover of the company shall be stated		
SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Generation and transmission of electricity: coal based thermal power plants	40102	Operation not yet started

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Spice Energy Private Limited	U40105DL2007PTC168066	Holding	71.19%	2(46)
2	SRM Energy Tamilnadu Private Limited	U40105MH2008PTC187173	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category –wise shareholding

Category of Shareholders	Shareholding at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	6450000	0	6450000	71.1921	6450000	0	6450000	71.1921	0
d) Bank/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL: (A) (1)	6450000	0	6450000	71.1921	6450000	0	6450000	71.1921	0
(2) Foreign									
a) NRI-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	6450000	0	6450000	71.1921	6450000	0	6450000	71.1921	0

B. PUBLIC SHAREHOLDING									
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
(1) Institutions									
a) Mutual Funds	300000	5700	305700	3.742	299795	5700	305495	3.3719	0.3701
b) Banks/FI	0	0	0	0	0	0	0	0	0
C) Cenntal govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	300000	5700	305700	3.742	299795	5700	305495	3.3719	0.3701
(2) Non Institutions									
a) Bodies corporate									
i) Indian	179978	82300	262278	2.8949	229794	82300	312094	3.4447	0.5498
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	549425	950350	1499775	16.5538	529682	942050	1471732	16.2443	0.3095
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	491150	42000	533150	5.8847	469582	42000	511582	5.6466	0.2381

c) Others (specify)	7697	1400	9097	0.1004	7697	1400	9097	0.1004	0
SUB TOTAL (B)(2):	1228250	1076050	2304300	25.4338	1236755	1067750	2304505	25.4360	0.0022
Total Public Shareholding (B)= (B)(1)+(B)(2)	1528250	1081750	2610000	28.8079	1536550	1073450	2610000	28.8079	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7978250	1081750	9060000	100.0000	7978250	1081750	9060000	100.0000	0

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Spice Energy Private Limited	6450000	71.19	nil	6450000	71.19	nil	nil
	Total	6450000	71.19	nil	6450000	71.19	nil	nil

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SI. No.	Shareholders Name	Share holding at the beginning of the Year (as on 01.04.2014)		Cumulative Share holding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the Year	6450000	71.19	-	-
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No transaction during the year		No transaction during the year	
	At the end of the year	6450000	71.19	-	-

Note : There is no change in the total shareholding of promoters between 01-04-2014 and 31-03-2015

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	NAME	Shareholding		Date wise increase / decrease during the year specifying the Reasons			Cumulative Shareholding during the year	
		No. of shares at the beginning of the Year (01.04.14) / at the end of the year (31.03.15)	% of total shares of the company	Date	increase/ decrease	Reasons	No of shares	% of total shares of the company
1.	UTI-UNIT LINKED INSURANCE PLAN	300000	3.3113	01/04/2014				
				09/01/2015	-100	Transfer	299900	3.3103
				16/01/2015	-105	Transfer	299795	3.3090
		299795	3.3090	31/03/2015			299795	3.3090
2.	D SUNDARARAJAN	272910	3.0123	01/04/2014				
				05/09/2014	-77088	Transfer	195822	2.1613
				12/09/2014	-68501	Transfer	127321	1.4053
		26	0.0000	31/03/2015	-127295	Transfer	26	0.0000
3.	ARUN K HITKARI	154800	1.7086	01/04/2014	Nil movement during the year			
		154800	1.7086	31/03/2015			154800	1.7086
4.	BAHUBALI PROPERTIES LIMITED	68600	0.7572	01/04/2014	Nil movement during the year			
		68600	0.7572	31/03/2015			68600	0.7572
5.	HITKARI POTTERIES PVT LTD	47200	0.5210	01/04/2014	Nil movement during the year			
		47200	0.5210	31/03/2015			47200	0.5210
6.	GANDHI SECURITIES & INVESTMENT PRIVATE LIMITED	25000	0.2759	01/04/2014	Nil movement during the year			
		25000	0.2759	31/03/2015			25000	0.2759

7.	KRISHAN KAPOOR	25000	0.2759	01/04/2014	Nil movement during the year		
		25000	0.2759	31/03/2015		25000	0.2759
8.	KAMALANATHAN G	22942	0.2532	01/04/2014	Nil movement during the year		
		22942	0.2532	31/03/2015			
9.	IMAGE SECURITIES LTD	18500	0.2042	01/04/2014	Nil movement during the year		
		18500	0.2042	31/03/2015		18500	0.2042
10.	DURGADEVI HITKARI	17000	0.1876	01/04/2014	Nil movement during the year		
		17000	0.1876	31/03/2015		17000	0.1876

Note :- Reasons (e.g. allotment /transfer/bonus/sweat equity etc)

v) Shareholding of Directors and Key Managerial Personnel

Sl. No	NAME	Shareholding		Date wise increase / decrease during the year specifying the Reasons	Cumulative Shareholding during the year			
		No. of shares at the beginning of the Year (01.04.14) / at the end of the year (31.03.15)	% of total shares of the company		Date	increase / decrease	Reasons	No of shares
A	DIRECTORS:	0	0	0	0	0	0	0
B	Key Managerial Personnel(KMP's)							
1	Kailashchandra Gupta	0	0	0	0	0	0	0
2	Sanjeevlata Samdani Company Secretary	100	0	No transaction during the year 100 0			100	0

V. INDEBTEDNESS

Not Applicable

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

Amount (Rs. in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Additions				
Reduction				
Exchange Difference				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager
NIL
- B. Remuneration to other directors
NIL
- C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(Rs. in lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Sanjeevlata Samdani)	CFO (Kailash Chandra Gupta)	Total Amount
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A	23.34	4.20	27.54

	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	N.A	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	-	-
	Others		-	-	-
	TOTAL				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / punishment / compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
Penalty					
Punishment					
Compounding			NIL		
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

1.1 Market Structure

India has different models for sale and purchase of bulk power - integrated utility [State Electricity Board (SEB)], single buyer (MoU based/regulated generation), competitive bidding, captive power generation and sale to captive users. At the consumer end, India has models such as monopoly where the incumbent state distribution company is the sole provider of electricity, franchisee model, retail competition, etc. Migration to a more mature market structure is expected to occur gradually. With the proposed amendment to the Electricity Act, 2003 (EA, 2003) on the anvil, the market structure may alter significantly in the long-term.

1.2 Generation

The installed generating capacity in the country as on March 31, 2015, was 272 GW (and an additional 43 GW of captive power). Grid capacity addition during the financial year for the country was 25 GW as compared to capacity addition of 20 GW during the previous financial year.

1.3 Fuel

Coal production by Coal India Limited (CIL) and its subsidiaries was 494 MT in FY15 against 462 MT in FY14, reflecting a 7% growth y-o-y as against CAGR of 2.3% experienced in the last three years. The process of captive coal block auctions is aimed at facilitating the growth of domestic coal production. Thermal coal imports this year stood at over 150 MT. Domestic natural gas production was 33,656 MCM against 35,407 MCM in FY14.

(Source: www.coalindia.in, www.petroleum.nic.in)

1.4. Transmission

The backbone transmission of system in India is mainly through 400 kV AC and 220 kV AC networks with the highest transmission voltage level being 765 kV. Transmission lines capacity has increased to over 3 lakh Ckm in FY15, reflecting an increase of 7.5% over the previous year.

1.5 Distribution

The recently issued 'Performance Report of State Power Utilities' by Power Finance Corporation (PFC) for FY13 indicates that Aggregate Technical & Commercial (AT&C) losses of state owned distribution utilities are still at very high levels. Financial health of state electricity utilities in retail distribution continues to remain the most critical issue for the sector's viability.

As part of the proposed amendments to the EA, 2003, separation of the wires and supply businesses is envisaged. This is expected to increase competition in the supply sector, though reliability of wires & network remaining with the incumbent would continue to pose challenges.

1.6 Power Trading

Around 115 BUs of electricity were traded in the short-term power market during FY15 (as compared to 105 BUs in FY14), accounting for around 9% of the total generation.

With increased opportunities, the challenges in the power trading sector have also grown. The competition has grown fierce due to an increase in the number of CERC licensed traders from 13 in FY05 to 71 in FY15. Due to this, trading margins are also under immense pressure.

Power trading is also adversely affected by continued corridor constraints for power flow from predominant generating regions in East & West to consumption centers in the South leading to prevalence of high prices for the customers in the southern states.

1.7. Power Services Business

With the opening up of the Electricity Sector, several private players started establishing power plants in India to meet the demand supply gap. With this development, the market for outsourcing of O&M of Power Plants also opened up in India. Today, it is estimated that over 15,000 MW capacities have been outsourced for O&M. In the next 2-3 years, additional 12,000 MW of capacity is expected to deploy outsourced power services.

Further, in the transmission sector, with the entry of private players in last few years, there is an opportunity for O&M services and project management consultancy services.

1.8. Changes to 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 that took place in FY15:

- Electricity (Amendment) Bill, 2014

The Electricity (Amendment) Bill, 2014 was introduced in Lok Sabha on December 19, 2014. The Bill seeks to segregate the distribution network from the electricity supply business and to introduce multiple supply licensees in the market amongst other changes. The Bill has been referred to Parliamentary Standing Committee on Energy which has submitted its report. Your Company is actively participating in the public consultation process directly and through industry associations.

- The Coal Mines (Special Provisions) Bill, 2015 and Coal Auctions

Hon'ble Supreme Court, vide its judgment dated August 25, 2014, read with its order dated September 24, 2014 cancelled the allocation of 204 captive coal blocks. To reallocate the cancelled captive coal blocks, the Parliament, passed the Coal Mines (Special Provisions) Act, 2015. This provides for allocation of coal mines, through auction and allotment, and vesting of the right, title and interest in and over the land and mine infrastructure, to successful bidders and allottees, with a view to ensure continuity in coal mining operations and production of coal.

Ministry of Coal put on auction Schedule II (42 producing and ready to produce blocks) and Schedule III (32 substantially developed coal blocks) in the months of January and February 2015. As per indications available from Government of India, the process of auction of coal blocks is likely to continue in the months and years ahead.

- CERC Tariff Regulation 2014

CERC notified tariff regulations under 'Term and Conditions of Tariff, 2014', which will form the basis for regulations for a period of five years with effect from April 01, 2014 to March 31, 2019 and shall be applicable to 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 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 at the rate of 50 paise/kWh for every unit generated above 85% PLF. Apart from these, the regulations have tightened the operating parameters such as Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption for thermal power plants.

2. OPPORTUNITIES AND OUTLOOK

The growth in domestic market has in the last few years been constrained given the uncertainties around fuel supply, financial condition of discoms, challenges of land acquisition, water linkages and various statutory clearances. As the power sector is seen as a key driver supporting the growth of the nation at large, the new Government at the Centre has been pursuing reforms which is expected to ease some of the known constraints.

The opportunities that exist for your Company is as follows:

- **Generation**

- Greenfield projects in India and international geographies of focus
- Due to the current financial stress in the power sector in India, there are assets which may be available for acquisition. The Company is evaluating and will continue to evaluate opportunities to acquire projects in various stages of development across the country.
- Renewables: The Company is exploring multiple options, both Greenfield and through possible acquisitions.

- **Distribution**

With growing focus on improving the state of distribution business, several business models have been evaluated in the past. While the PPP route has been successfully demonstrated in Delhi, the distribution franchisee model has been accepted by a few states as the route to bring in private investments, expertise and management skills in the distribution business.

- **Transmission**

Over the next few years, the demand for transmission capacity is expected to increase significantly, driven primarily by increase in generation capacity and also due to requirements of open access, inter-regional transfers and integration of infirm renewable power in the system.

3. OPERATIONAL PERFORMANCE

The Company is in the process of setting up Thermal Power Projects at various locations more particularly

in 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's network has been significantly reduced and it has been incurring cash losses, the board of directors of the company, in its meeting held on March 09, 2015 has decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any.

4. 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.

5. 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.

6. 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.

7. RISKS AND CONCERNS

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

- India's domestic capacity is heavily skewed towards fossil fuels which has a negative impact from an environmental perspective. Regulatory orders to address climate change can adversely affect valuations of coal based power stations.
- Pace of economic growth can slow down leading to lower growth in demand for power in India.
- Slowdown in pace of regulatory reforms in the country can affect aspects such as renewables scale-up, Case I and Case II bidding, opportunities for private player in distribution sector, amendment of EA, 2003, etc.
- Domestic coal supply may continue to remain inadequate or inaccessible to meet the growth in generation capacity.

- Infrastructure constraints such as railways and port capacity that may affect the transportation of domestic coal and logistics of imported coal.
- The imposition of export restrictions or levy of taxes by energy exporting countries could make the cost of imported energy into India more expensive and unattractive for discoms.
- The poor financial health of SEBs continues to be a factor that impedes the growth of the sector.
- Shortage of domestic gas and expensive LNG imports affects the financial viability of gas-based power plants.
- Delays in land acquisition, environmental clearances and other approvals remain an area of concern. Lack of water is another threat to the capacity addition plans.
- The availability of cost-effective capital for funding of new projects could be a cause of concern given current exposure of banks to power sector and stranded assets which can result in NPAs.

The key risks and concerns specific to your Company are as follows:

- Delays in land acquisition, environmental clearances and other approvals remain an area of concern.
- 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.
- Volatility in exchange rates and coal prices
- 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.

8. 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.

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 2015 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 therein, 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 13, 2015

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) , the report containing the details of Corporate Governance systems and processes at SRM Energy Limited is as follows:

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.

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(Promoter)
Mr. Gagan Rastogi	Promoter Director (Resigned on 14-11-2014)
Mr. Sameer Rajpal	Non-Executive Independent Director
Mr. Vijay Sharma	Non-Executive Independent Director
Mr. Pranav Kumar	Non-Executive Independent Director
Mrs. Tanu Agarwal	Non-Executive Director (Appointed w.e.f.01-04-2015)

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	7	Yes	NIL	NIL
Mr. Gagan Rastogi (Resigned on 14-11-2014)	1	Yes	Nil	Nil
Mr. Sameer Rajpal	7	Yes	1	2 (as Chairman)
Mr. Vijay Sharma	7	Yes	NIL	NIL
Mr. Pranav Kumar	7	Yes	1	1
Mrs. Tanu Agarwal (Appointed w.e.f.01-04-2015)	N.A.	N.A.	NIL	NIL

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 Stakeholders' Relationship Committees of all Public Limited Companies (excluding SRM Energy Limited) have been considered.

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

Seven Board Meetings were held during the year. The dates on which the meetings were held are as follows: 29-May-2014, 14-Aug-2014, 24-Oct-2014, 14-Nov-2014, 10-Feb-2015, 09-Mar-2015 and 31-Mar-2015.

2. COMMITTEES OF THE BOARD

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

A. Audit Committee:

Mr. Sameer Rajpal - Chairman
Mr. Gagan Rastogi - Member (Resigned on 14-11-2014)
Mr. Vijay Sharma - Member
Mr. Vishal Rastogi - Member

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

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Terms of Reference: The terms of reference / 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.
- i. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - o Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - o Changes, if any, in accounting policies and practices and reasons for the same;
 - o Major accounting entries involving estimates based on the exercise of judgment by the management;
 - o Significant adjustments made in financial statements arising out of audit findings;
 - o Compliance with listing and other legal requirements relating to financial statements;
 - o Disclosure of any related party transactions; and
 - o Qualifications in draft audit report.
- j. Approval or any subsequent modification of transactions of the Company with related parties
- k. Scrutiny of inter-corporate loans and investments
- l. Valuation of undertakings or assets of the Company, wherever it is necessary

General

The representatives of statutory auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee meetings held during the year. Executives of Accounts Department, Finance Department, Corporate Secretarial Department and Internal Audit department and representatives of internal auditors attend Audit Committee Meetings.

The internal auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 30, 2014.

Meeting Details

Four meetings of the Audit Committee were held during the year. The dates on which the meetings were held are as follows: 29-May-2014, 14-Aug-2014, 14-Nov-2014 and 10-Feb-2015.

B. Nomination And Remuneration Committee

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement, as amended from time to time.

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

Mr. Sameer Rajpal (Chairman of the Committee)	Independent Director
Mr. Vijay Sharma, Member	Independent Director
Mr. Vishal Rastogi, Member	Managing Director

Terms of Reference of the Committee, inter alia, includes the following:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial

Personnel and Senior Management.

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity
- To develop a succession plan for the Board and to regularly review the plan;

Directors' Remuneration

Remuneration policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed to the Directors' Report. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

Meetings: three meetings of the Nomination and Remuneration Committee were held during the year. The dates on which the meetings were held are as follows: 29-May-2014, 14-Nov-2014 and 31-March-2015.

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, 2015, 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

C. Stakeholders' Relationship Committee

Composition of the Committee

Mr. Vishal Rastogi (Chairman of the Committee)	Managing Director
Mr. Vijay Sharma, Member	Independent Director
Mr. Sameer Rajpal, Member	Independent Director

The 'Stakeholders' Relationship Committee' (SR Committee) was constituted by the Board on April 18, 2014 consequent to the dissolution of the 'Shareholders'/ Investors' Grievance Committee' (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share certificates
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Registrars and Transfer Agents Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties

Meeting Details

Eleven meetings of the SR Committee were held during the year. The dates on which the meetings were held are as follows: 10.07.2014, 30.07.2014, 10.10.2014, 05.11.2014, 27.11.2014, 02.12.2014, 20.01.2015, 03.02.2015, 18.02.2015, 23.02.2015 and 18.03.2015.

Compliance Officer

Mrs. Sanjeevlata Samdani , Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

Investor Grievance Redressal

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

3. GENERAL BODY MEETINGS

a. Location and time for last 3 years General Meetings were:

Year	AGM	Location	Date	Time
2011-12	25th 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	26th AGM	Killachand Hall, IMC Building, IMC Marg, Church gate, Mumbai -400020	December 09, 2013	12 noon

2013-14	27th AGM	Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai – 400 069	September 30, 2014	02:00 p.m
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b. 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.
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.
2013-14	27th AGM	Adoption of new set of Article of Association pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under.

c. Extraordinary General Meetings (EGM)

No EGM was held during the last financial year.

d. Details of Resolution(s) passed through postal ballot

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

4. Subsidiary Companies’ Monitoring Framework

As on March 31, 2015, the Company have only one 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.viz. “SRM Energy Tamilnadu Private Limited”.

The subsidiary company is Board managed, having the rights and obligations to manage such company in the best interest of their stakeholders.

Being material unlisted subsidiary, the Company is required to nominate an Independent Director of the Company on the Board of subsidiary.

The Company monitors performance of subsidiary companies, inter alia, by the following means:

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company’s Audit Committee.
- Minutes of Board meetings of unlisted subsidiary companies are placed before the Company’s Board regularly.
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary company is placed before the Company’s Board.

Mr. Sameer Rajpal and Mr. Vijay Sharma, the Company's Independent Directors have been appointed as Independent Directors on the Board of SRM Energy Tamilnadu Private Limited, subsidiary of the Company.

5. 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, 2015 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 22 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.

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.”

6. **MANAGEMENT DISCUSSION AND ANALYSIS**

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

7. **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.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

8. **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).

9. **MD CERTIFICATION**

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

10. **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.

11. **COMPLIANCE CERTIFICATE**

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.

12. GENERAL SHAREHOLDER INFORMATION

I. Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17100MH1985PLC037364.

II. Annual General Meeting (For Financial Year 2014- 2015)

Date and Time : September 30, 2015 at 02.00 PM

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

III. Financial Year : April 1 to March 31

IV. Financial Calendar (Tentative)

Financial Results for the Quarter ending June30, 2015	Held on August 13, 2015
Financial Results for the Quarter ending September 30, 2015	on November 15, 2015
Financial Results for the Quarter ending December 31, 2015	on February 14, 2016
Financial Results for the Quarter ending March 31, 2016	on May 31, 2016
Annual General Meeting	on September 2016

V. Books closure date Thursday, September 24, 2015 to
Wednesday, September 30, 2015 (both days inclusive).

VI. Listing of Equity Shares BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

VII. (a) Stock Code: BSE Code-523222
(b) Demat ISIN Numbers ISIN No. INE 173J01018

In NSDL/CDSL for Equity Shares:

VIII. Payment of Listing Fees

Annual listing fee for the year 2015-16 has been paid by the Company to BSE.

IX. Payment of Depository Fees

Annual Custody/Issuer fee for the year 2015-16 has been paid by the Company to NSDL and CDSL on receipt of the invoices.

X. Stock Market Data:

Months	Bombay Stock Exchange (BSE) (In Rs.)		Volume (No. of Shares)
	Month's High Price	Month's Low Price	
April 2014	4.9	4.9	100
May 2014	4.9	4.9	340
June 2014	5	4.2	1430
July 2014	4.6	3.96	6195
August 2014	5.73	4.3	130
September 2014	7.85	6	2401
October 2014	8.24	6.86	15975
November 2014	9.15	7.2	288030
December 2014	9.61	7.66	12548
January 2015	8.7	5.8	1415
February 2015	6.03	5.15	3740
March 2015	5	4.3	405

Source: www.bseindia.com

XI. 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

XII. Share Transfer System:

Share transfers are processed and share certificates duly endorsed are delivered within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director and/or Company Secretary.

A summary of transfer/transmission of securities of the Company so approved by the Managing Director/Company Secretary is placed at every Board meeting / Stakeholders' Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

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.

XIII. Distribution of shareholding as on March 31, 2015

Category code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
1	Indian		6450000	71.19
2	Foreign		0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		6450000	71.19
(B)	Public shareholding			
1	Institutions		305495	3.37
2	Non-institutions		2304505	25.44
	Total Public Shareholding (B)=(B)(1)+(B)(2)		2610000	28.81
	Total (A)+(B)		9060000	100.00
(C)	Shares held by custodians and against which Depository Receipts have been issued			
i	Promoter and Promoter Group	0	0	0
ii	Public	0	0	0
	Sub Total (C)	0	0	0
	GRAND TOTAL (A)+(B)+(C)	0	9060000	100.00

XIV. Shareholding Pattern by Size as on March 31, 2015

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. Of Holders
	Form	To				
1	1	500	853420	9.42	5119	91.74
2	501	1000	230413	2.54	263	4.71
3	1001	5000	326558	3.60	159	2.85
4	5001	10000	141550	1.56	20	0.36
5	10001	20000	108861	1.20	7	0.13
6	20001	9999999999	7399198	81.67	12	0.22
	TOTAL		9060000	100.00	5580	100.00

XV. Dematerialisation of Shares

Mode of Holding	% age
NSDL	81.33
CDSL	06.81
Physical	11.85
TOTAL	100.00

XVI. Address for Correspondence

a. Investor Correspondence

For Shares/Debentures held in Physical form

Datamatics Financial Services Ltd,

Plot No.B-5, Part B Cross Lane,

MIDC, Andheri-East,

Mumbai- 400093.

Phone:022-66712151-2156

Fax:022-66712161

E-mail : investorsqry@dfssl.com

Website: www.datamaticsbpo.com

b. For Shares/Debentures held in Demat form

Investors' concerned Depository Participant(s) and /or Datamatics Financial Services Ltd.

c. Any query on the Annual Report

SRM Energy Limited

B/ 23 , Gundecha Onclave, Kherani Road,

Saki Naka, Andheri-East,

Mumbai-400072 Maharashtra

E-mail : investor_relation@srmenergy.in

Certificate on Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2014-15.

Delhi
August 13, 2015

(Vishal Rastogi)
Managing Director

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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 27 of the financial statements of the Company, wherein as stated, the Company's networth has been significantly reduced and it has been incurring cash losses and the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Company. Further, the Board of Directors of the Company have decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17 on Contingent Liabilities;
 - (ii) The Company did not have any long-term contracts including derivative contracts; hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Bhavik L. Shah
Partner
Membership No. 122071

Place : Mumbai
Date : 01.06.2015

ANNEXURE TO INDEPENDENT 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 31-03-2015]

- (i) The Company does not have fixed assets. Hence, clause 3(i)(a) and 3(i)(b) of the Order are not applicable to the Company.
- (ii) The Company did not hold any inventory during the year. Hence, clause 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Order are not applicable to the Company.
- (iii) 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 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) The Company does not hold any inventory or fixed assets and does not have any sale of goods or services. Hence, clause 3(iv) of the Order is not applicable to the Company.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) Considering the present activities of the Company, the Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues of income tax, cess and other material statutory dues applicable to it.
 (b) According to the information and explanation given to us, the dues outstanding with respect to income tax and other material statutory dues applicable to it, on account of any dispute, are as follows:

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

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The accumulated losses of the Company 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.
- (ix) The Company has not borrowed any amount from financial institution, banks or debenture holders. Hence the provisions of clause 3(ix) of the Order are not applicable to the Company.
- (x) 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.
- (xi) The Company has not obtained any term loans.

- (xii) 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 any such instance by the management.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at 31.03.2015		As at 31.03.2014	
		₹ million		₹ million	
Equity and Liabilities					
Shareholders' Funds					
Share Capital	4	90.60		90.60	
Reserves and Surplus	5	(89.50)	1.10	(82.69)	7.91
Non-current Liabilities					
Long-term Provisions	6	0.69	0.69	0.49	0.49
Current Liabilities					
Short-term Borrowings	7	10.56		5.12	
Other Current Liabilities	8	1.28		0.97	
Short-term Provisions	6	0.05	11.89	0.04	6.13
TOTAL			13.68		14.53
Assets					
Non-current Assets					
Fixed Assets					
Capital Work-in-Progress	9	-	-	1.08	1.08
Non-current Investments	10		13.20		13.20
Long-term Loans and Advances	11A		0.26		-
			13.46		14.28
Current Assets					
Cash and Cash Equivalents	12		0.22		0.15
Short-term Loans & Advances	11B		-		0.10
			0.22		0.25
TOTAL			13.68		14.53
Significant accounting policies	1				
See accompanying Notes to the Financial Statements	3-30				

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W

For and on behalf of the Board of Directors

Bhavik L. Shah

Partner
Membership No. 122071

Place : Mumbai
Date : 01.06.2015

Vishal Rastogi

Managing Director
Place : Gurgaon,
Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary
Place : Mumbai,
Date : 01.06.2015

Sameer Rajpal

Director
Place : Gurgaon,
Date : 29.05.2015

Kailash Chandra Gupta

Chief Financial Officer
Place : Mumbai,
Date : 01.06.2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For The Year Ended As at 31.03.2015 ₹ million	For The Year Ended 31.03.2014 ₹ million
REVENUE			
Revenue From Operations		-	-
Other Income	13	0.05	-
Total Revenue		0.05	-
EXPENSES			
Employee Benefit expenses	14	3.11	1.71
Other Expenses	15	2.67	2.31
Total Expenses		5.78	4.02
Loss before exceptional and extraordinary items and tax		(5.73)	(4.02)
Exceptional Items			
Pre-operative expenses written off		1.08	-
Loss before extraordinary items and tax		(6.81)	(4.02)
Extra-ordinary Items		-	-
Loss before Tax		(6.81)	(4.02)
Tax Expense			
1) Current		-	-
2) Deferred		-	-
		-	-
Loss for the year		(6.81)	(4.02)
Earnings Per Equity Share (₹) (face value of Rs 10 per share)	23		
Basic		(0.75)	(0.44)
Diluted		(0.75)	(0.44)
Significant accounting policies	2		
See accompanying Notes to the Financial Statements	3-30		

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner
Membership No. 122071

Place : Mumbai
Date : 01.06.2015

For and on behalf of the Board of Directors
Vishal Rastogi

Managing Director
Place : Gurgaon,
Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary
Place : Mumbai,
Date : 01.06.2015

Sameer Rajpal

Director
Place : Gurgaon,
Date : 29.05.2015

Kailash Chandra Gupta

Chief Financial Officer
Place : Mumbai,
Date : 01.06.2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For The Year Ended As at 31.03.2015 ₹ million	For The Year Ended 31.03.2014 ₹ million
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(6.81)	(4.02)
ADJUSTMENTS FOR		
Interest and Finance Expenses	-	-
Interest Income	(0.04)	-
Pre-operative expenses written off	1.08	-
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(5.77)	(4.02)
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	0.31	0.61
Increase/(Decrease) in Short-term Provisions	0.01	0.04
Increase/(Decrease) in Long-term Provisions	0.20	0.49
Decrease/(Increase) in Short-term Loans and Advances	0.10	(0.07)
Decrease/(Increase) in Long-term Loans and Advances	(0.26)	-
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	(5.41)	(2.95)
Income Tax Refund/(Paid) (@= ₹ 2260)	@	-
NET CASH USED IN OPERATING ACTIVITIES (A)	(5.41)	(2.95)
(B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital Advances	-	-
NET CASH USED IN INVESTMENT ACTIVITIES (B)	-	-
(C) CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from Short-term Borrowings (Net)	5.48	2.70
Interest and Finance Charges Paid	-	-
NET CASH FROM FINANCIAL ACTIVITIES (C)	5.48	2.70
(D) NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	0.07	(0.25)
(E) CASH & CASH EQUIVALENTS - OPENING BALANCE	0.15	0.40
(F) CASH & CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 11)	0.22	0.15

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

For and on behalf of the Board of Directors

Vishal Rastogi

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Date : 29.05.2015

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Director

Place : Gurgoan,

Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary

Place : Mumbai,

Date : 01.06.2015

Kailash Chandra Gupta

Chief Financial Officer

Place : Mumbai,

Date : 01.06.2015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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 has been engaged in setting up Thermal power project in its wholly owned subsidiary.

2 SIGNIFICANT ACCOUNTING POLICIES :

i Basis of Preparation

The Financial Statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP), and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the act) (read with Rule 7 of the Companies (Accounts) Rules, 2014). 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.

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 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.

vi. 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.

vii 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 recognized in the Statement of Profit and Loss.

viii Employee benefits

Employee benefits such as salaries, allowances, non-monetary benefits which fall due for payment within a period of twelve months after rendering service, are capitalised if related to project else recognised in the Statement of Profit 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, which is considered as other long term employee benefit, is 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.

ix 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.

x 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.

xi 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.

xii 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 write-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available, against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

xiii 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.

xiv Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes to 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.

xv 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 in 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 September 3, 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 April 01, 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

	As at 31.03.2015		As at 31.03.2014	
	No. million	₹ million	No. million	₹ million
Authorised Shares				
Equity Shares of ₹10/- each	11.30	113.00	11.30	113.00
	11.30	113.00	11.30	113.00

Issued, subscribed and paid up

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

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 shareholders holding more than 5% shares in the Company

	As at 31.03.2015		As at 31.03.2014	
	No. million	% holding	No. million	% holding
Equity Shares of ₹ 10 each fully paid up held by Spice Energy Pvt. Ltd., the holding company	6.45	71.19%	6.45	71.19%
	6.45	71.19%	6.45	71.19%

d 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.

5 Reserves and Surplus

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

	31.03.2015	31.03.2014
	₹ million	₹ million
Balance as per last financial statements	(82.69)	(78.67)
Loss for the Current year	(6.81)	(4.02)
Balance at the end of the year	(89.50)	(82.69)

6 Provisions

	Long-term		Short-term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	₹ million	₹ million	₹ million	₹ million
Provision for employee benefit				
Provision for Gratuity (Unfunded)	0.32	0.23	0.01	0.01
Provision for Leave Encashment (Unfunded)	0.37	0.26	0.04	0.03
	0.69	0.49	0.05	0.04

	31.03.2015	31.03.2014
	₹ million	₹ million
7 Short-term Borrowings (Unsecured & repayable on demand)		
Loan from Related party (Refer Note 22)		
- Spice Energy Private Limited	9.73	5.12
- SRM Energy Tamilnadu Pvt. Ltd.	0.83	-
	10.56	5.12
8 Other Current Liabilities		
Sundry Creditors for Expenses	0.85	0.43
Provision for Expenses	0.36	0.45
Other Liabilities	0.07	0.09
	1.28	0.97

9 Capital work in Progress

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

Particulars	As at 31.03.2015	As at 31.03.2014
	(₹ million)	(₹ million)
i) Opening Balance- Pre- Operative expenses	1.08	1.08
Less: Written off during the year	1.08	-
Add: Expenditure incurred during the current year	-	-
Closing Balance	-	1.08
	31.03.2015	31.03.2014
	₹ million	₹ million

10 Non-current Investments

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 1.32 million) Equity Shares in SRM Energy Tamilnadu Pvt. Ltd. of ₹.10 each fully paid up

13.20	13.20
13.20	13.20

	31.03.2015	31.03.2014
11 Loans & Advances	₹ million	₹ million
A. Long Term Loans & Advances		
Security Deposit		
Secured Considered good	-	-
Unsecured Considered good	0.26	-
B. Short Term Loans and Advances		
Unsecured Considered good		
Advances recoverable in cash or in kind	-	0.10
	-	0.10
	31.03.2015	31.03.2014
	₹ million	₹ million
12 Cash and Cash Equivalents		
Balances with Banks in Current Account	0.06	0.13
Cash in Hand	0.16	0.02
	0.22	0.15
	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million
13 Other Income		
Excess Provision for earlier years written back	0.01	-
Interest on income tax refund/TDS written off recovered (@= ₹ 2260)	@	-
Interest Income	0.04	-
	0.05	-
	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million
14 Employee Benefit expenses		
Salaries	2.90	1.18
Gratuity (refer note no. 20)	0.09	0.24
Leave Enchisement	0.12	0.29
	3.11	1.71
	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million
15 Other Expenses		
Advertisement Expenses	0.08	0.18
Auditors' Remuneration (Refer Note no. 18 below)	0.35	0.47
Postage, Telephone, Telex & Courier Charges	0.13	0.06
Printing and Stationery	0.06	0.05
Rent	0.79	-
Legal and Professional Charges	0.27	0.23
Litigation Settlement	-	0.65
Interest on TDS (@ = ₹ 2701)	-	@

Secretarial Service Charges	0.24	0.24
Travelling & Conveyance Expenses	0.30	0.13
Annual Listing Fees	0.11	0.10
Miscellaneous Expenses	0.34	0.20
	2.67	2.31

16 Capital and other commitments

- i) Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2015 : 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 and 297 of Companies Act, 1956 in 2007-08 for which compounding application has been filed with Company Law Board.

	31.03.2015 ₹ million	31.03.2014 ₹ million
18 Auditors Remuneration (Refer note no 15 above)		
Audit Fees (including limited review)	0.35	0.46
Out of Pocket Expenses	-	0.01
Total	0.35	0.47

19 CIF VALUE OF IMPORTS, EXPENDITURE, REMITTANCES AND EARNINGS IN FOREIGN CURRENCY - Nil

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

Defined Benefits Plans

Gratuity

Actuarial Assumptions	2014-15	2013-14
Discount Rate (Per Annum)	7.90%	9.36%
Rate of increase in compensation levels (Per Annum)	5%	5%
Expected average remaining lives of the employees (in no of years)	12	12
Attrition Rate	2%	2%

Particulars	₹ million 2014-15	₹ million 2013-14
I Change in Present Value of Obligation		
Present value of defined benefits obligation as at the beginning of the year	0.24	-
Interest Cost	0.02	0.15
Current Service Cost	0.04	0.34
Benefits Paid	-	-
Actuarial (Gain) / loss on obligation	0.03	(0.25)
Present value of defined benefits obligation as at the end of the year	0.33	0.24

II Amount recognised in the Balance Sheet

Liability at the end of the year	0.33	0.24
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet	0.33	0.24

III Expenses recognised in the Statement of Profit & Loss

Current Service Cost	0.04	0.34
Past Service Cost	-	-
Interest Cost	0.02	0.15
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the year	0.03	(0.25)
Total expenses recognised in the Statement of Profit & Loss	0.09	0.24

IV Balance Sheet Reconciliation

Liability at the beginning of the year	0.24	-
Expenses as above	0.09	0.24
Employers' Contribution	-	-
Amount recognised in the Balance Sheet	0.33	0.24

V Disclosures as required under Para 120(n):

Particulars	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Present value of defined benefit obligation	0.33	0.24	-	0.99	0.46
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.33)	(0.24)	-	(0.99)	(0.46)
Experience adjustment on liability {loss/(gain)}	(0.01)	(0.21)	-	0.24	0.02

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 has been engaged in setting up Thermal power project in its wholly owned subsidiary, which at present, constitutes its single operating segment as per AS-17 on 'Segment Reporting'.

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 :

Mr. Vishal Rastogi Managing Director

Mr. Gagan Rastogi Director (Resigned on November 14, 2014)

B. Transactions with Related Parties

₹ million

Particulars	Holding Company		Subsidiary	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Investment in Wholly owned subsidiary as per Scheme of Arrangement	-	-	-	13.10
Loan Given	-	-	3.14	-
Payment received against Loan Given	-	-	3.14	-
Loan Taken *	6.28	3.40	1.07	-
Loans repaid *	1.67	0.70	0.20	-
Interest Income	-	-	0.04	-
Expenses incurred on our behalf	-	0.20	-	0.02
Closing Balance:				
Investment in Wholly owned subsidiary	-	-	13.20	13.20
Creditors for expenses	-	-	-	0.02
Loan Payable	9.73	5.12	0.83	-

* exclude amount received and repaid on behalf of Wholly Owned Subsidiary as per Scheme of Arrangement in previous year 2013-14.(refer note 3)

23 Earnings Per Share (EPS):

Particulars	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million
Net Loss as per Statement of Profit and Loss (in ₹)	(6.81)	(4.02)
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 ₹)	(0.75)	(0.44)

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 Disclosure as required under AS – 19 :

Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below:

(a) The Company has entered into cancellable / non-cancellable leasing agreement for office premises renewable by mutual consent on mutually agreeable terms.

(b) Future minimum lease payments under non-cancellable operating lease are as under:

Particulars	Lease Rental Debited to Statement of Profit and Loss (Cancellable and Non cancellable)	Future Minimum Lease Rentals		
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years
Office Premises	0.79	0.28	-	-

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

26 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.

27 Going Concern

Though the Company's net worth has been significantly reduced and it has been incurring Cash Losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the company. Further, the Board of Directors of the Company, in its meeting held on March 09, 2015 have decided to sell/dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above development, the accounts have been prepared under going concern basis.

28 Information Pertaining To Loans And Guarantees Given To Subsidiaries (Information Pursuant To Clause 32 Of Listing Agreements With Stock Exchanges And Section 186 Of The Companies Act, 2013):

(Rupees in millions)

Loans and advances in the nature of loans to subsidiary :

Name of Company	Outstanding as at the beginning of the year	Given during the year	Adjusted/ repaid during the year	Closing at the end of the year	maximum amount outstanding during the year	Purpose of Loan
SRM Energy Tamilnadu Pvt. Ltd.	-	3.14	3.14	-	2.01	General Corporate purpose

29. Previous year figures have been regrouped and rearranged wherever necessary. to make them comparable to those for the current year. Figures in bracket indicate previous year's figures.

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

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

For and on behalf of the Board of Directors

Vishal Rastogi

Managing Director

Place : Gurgoan,

Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary

Place : Mumbai,

Date : 01.06.2015

Sameer Rajpal

Director

Place : Gurgoan,

Date : 29.05.2015

Kailash Chandra Gupta

Chief Financial Officer

Place : Mumbai,

Date : 01.06.2015

INDEPENDENT AUDITORS' REPORT

To the Members of SRM Energy Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SRM Energy Limited (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditor’s 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 financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24 of the Consolidated Financial Statements, wherein as stated, the Group's networth has been significantly reduced and it has been incurring cash losses and the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Holding Company have decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

Our opinion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of one subsidiary, whose financial statement reflects total assets of ₹537.99 million as at March 31, 2015, total revenues of ₹ Nil and net cash inflow amounting to ₹0.11 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding Company and subsidiary company incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

- g. On the basis of written representations received from the directors of the Holding Company as on March 31, 2015 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 16 to the consolidated financial statements;
 - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

ANNEXURE TO INDEPENDENT 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 consolidated financial statements for the year ended 31st March 2015]

- (i) (a) The Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Group have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- (ii) The Group did not hold any inventory during the year. Hence, clause 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Order are not applicable to the Group.
- (iii) As informed, the Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) As the Group has not started with any business activities, reporting under clause 3 (iv) of the Order is not applicable for the year under audit.

- (v) In our opinion and according to the information and explanations given by the management of the Group and other auditors' report, the respective entities have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act and the rules framed in respect of the class of the Company (i.e. Electricity Industry). However, since the Group is in the pre-operative stage, maintenance of cost records is considered as applicable only upon commencement of commercial operations.
- (vii) (a) The Group are generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, or cess, as applicable to it, on account of any dispute, are as follows:

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

- (c) According to the information and explanations given by the management of the Group, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the respective entities.
- (viii) The accumulated losses of the Group are more than fifty percent of its net worth. Further, the Group has incurred cash losses during the financial year covered by audit and in the immediately preceding financial year.
- (ix) The Group has not borrowed any amount from financial institution, banks or debenture holders. Hence the provisions of clause 3(ix) of the Order are not applicable to the Group.
- (x) According to the information and explanations given by the management of the Group, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Group has not obtained any term loans.
- (xii) During the course of examination of the books and records of the Group, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	As at 31.03.2015		As at 31.03.2014	
		₹ million		₹ million	
Equity and Liabilities					
Shareholders' Funds					
Share Capital	2	90.60		90.60	
Reserves and Surplus	3	(90.56)	0.04	(83.71)	6.89
Non-current Liabilities					
Long-term Provisions	4	1.38	1.38	1.26	1.26
Current Liabilities					
Short-term Borrowings	5	533.58		567.45	
Other Current Liabilities	6	2.45		3.83	
Short-term Provisions	4	0.15	536.18	0.08	571.36
TOTAL			537.60		579.51
Assets					
Non-current Assets					
Fixed Assets					
(a) Tangible Assets	7	114.71		114.38	
(b) Intangible Assets	8	30.00		30.00	
(c) Capital Work-in-Progress	9	299.68	444.39	288.53	432.91
Long-term Loans and Advances	10		92.29		145.14
			536.68		578.05
Current Assets					
Cash and Cash Equivalents	11		0.51		0.31
Short-term Loans & Advances	10		0.41		1.15
			0.92		1.46
TOTAL			537.60		579.51
Significant accounting policies	1				
See accompanying Notes to the Financial Statements	2-31				

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner
Membership No. 122071

Place : Mumbai
Date : 01.06.2015

For and on behalf of the Board of Directors

Vishal Rastogi
Managing Director
Place : Gurgoan,
Date : 29.05.2015

Sanjeevlata Samdani
Company Secretary
Place : Mumbai,
Date : 01.06.2015

Sameer Rajpal
Director
Place : Gurgoan,
Date : 29.05.2015

Kailash Chandra Gupta
Chief Financial Officer
Place : Mumbai,
Date : 01.06.2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note No.	For The Year Ended 31.03.2015 ₹ million	For The Year Ended 31.03.2014 ₹ million
REVENUE			
Revenue From Operations		-	-
Other Income	12	0.01	-
Total Revenue		0.01	-
EXPENSES			
Employee Benefit expenses	13	3.11	1.71
Other Expenses	14	2.67	2.59
Total Expenses		5.78	4.30
Loss before exceptional and extraordinary items and tax		(5.77)	(4.30)
Exceptional Items			
Pre-operative expenses written off		1.08	-
Loss before extraordinary items and tax		(6.85)	(4.30)
Extra-ordinary Items		-	-
Loss before Tax		(6.85)	(4.30)
Tax Expense			
1) Current		-	-
2) Deferred		-	-
		-	-
Loss for the year		(6.85)	(4.30)
Earnings Per Equity Share (₹) (face value of Rs 10 per share)	21		
Basic		(0.76)	(0.47)
Diluted		(0.76)	(0.47)
Significant accounting policies	1		
See accompanying Notes to the Financial Statements	2-31		

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

For and on behalf of the Board of Directors
Vishal Rastogi

Managing Director

Place : Gurgoan,

Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary

Place : Mumbai,

Date : 01.06.2015

Sameer Rajpal

Director

Place : Gurgoan,

Date : 29.05.2015

Kailash Chandra Gupta

Chief Financial Officer

Place : Mumbai,

Date : 01.06.2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For The Year Ended 31.03.2015 ₹ million	For The Year Ended 31.03.2014 ₹ million
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(6.85)	(4.30)
ADJUSTMENTS FOR		
Interest Income	-	-
Pre-operative expenses written off	1.08	-
OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	(5.77)	(4.30)
ADJUSTMENT FOR		
Increase/(Decrease) in Other Current Liabilities	(1.38)	1.21
Increase/(Decrease) in Short-term Provisions	0.08	(0.12)
Increase/(Decrease) in Long-term Provisions	0.12	(1.91)
Decrease/(Increase) in Short-term Loans and Advances	0.74	(0.07)
Decrease/(Increase) in Long-term Loans and Advances	0.85	(0.31)
CASH (OUTFLOW) / GENERATED FROM OPERATIONS	(5.36)	(5.50)
Income Tax Refund/(Paid) (@= ₹ 2260)	@	-
NET CASH USED IN OPERATING ACTIVITIES (A)	(5.36)	(5.50)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital Advances	39.43	(18.88)
Proceeds from Sale of Fixed Assets	-	0.01
Purchase of Current Investments	-	0.41
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)	39.43	(18.46)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) from Short-term Borrowings (Net)	(33.87)	23.85
Interest and Finance Charges Paid(@ = ₹ (2505))	@	(0.02)
NET CASH FROM FINANCING ACTIVITIES (C)	(33.87)	23.83
(D) NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	0.20	(0.13)
(E) CASH & CASH EQUIVALENTS - OPENING BALANCE	0.31	0.44
(F) CASH & CASH EQUIVALENTS - CLOSING BALANCE (Refer Note 11)	0.51	0.31

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

For and on behalf of the Board of Directors

Vishal Rastogi

Managing Director

Place : Gurgaon,

Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary

Place : Mumbai,

Date : 01.06.2015

Sameer Rajpal

Director

Place : Gurgaon,

Date : 29.05.2015

Kailash Chandra Gupta

Chief Financial Officer

Place : Mumbai,

Date : 01.06.2015



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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 are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP), and comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the act) (read with Rule 7 of the Companies (Accounts) Rules, 2014). 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. (i.e. SETPL)	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.

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 has been provided following Straight Line Method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, unless stated otherwise. Goodwill arose during 2007-08 on amalgamation of SRM Energy Pvt. Ltd., a Special Purpose Vehicle for implementing Power Project, into SRM Energy Limited as per the Scheme of Amalgamation approved by the Hon'ble High Courts at Bombay and Delhi and is being transferred from SRM Energy Ltd to SETPL under the Scheme of Arrangement approved by the Hon'ble Bombay High Court vide their order dated 03/09/2013. Goodwill 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

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) recognized in the Statement of Profit and Loss / Pre-operative expenses.

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 recognised in the Statement of Profit & Loss in the period in which the service is rendered. .

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

Leave Encashment, which is considered as other long term employee benefit, is 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 write-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 to 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	31.03.2015		31.03.2014	
		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
	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 share holders holding more than 5% shares in the Company

	As at 31.03.2015		As at 31.03.2014	
	No. million	% holding	No. million	% holding
Equity Shares of ₹ 10 each fully paid up held by Spice Energy Pvt. Ltd., the holding company	6.45	71.19%	6.45	71.19%
	6.45	71.19%	6.45	71.19%

d. 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 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.

31.03.2015	31.03.2014
₹ million	₹ million

3. Reserves and Surplus

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

Balance as per last financial statements	(83.71)	(79.41)
(Loss) for the Current Year	(6.85)	(4.30)
Balance at the end of the year	(90.56)	(83.71)

4. Provisions

	Long-term		Short-term	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million	₹ million	₹ million
Provision for employee benefit				
Provision for Gratuity (Refer Note no.17)	0.80	0.59	0.08	0.01
Provision for Leave Encashment	0.58	0.67	0.07	0.07
	1.38	1.26	0.15	0.08

	31.03.2015	31.03.2014
	₹ million	₹ million
5 Short-term Borrowings		
(Unsecured & repayable on demand)		
Loan from Related party (Refer Note 19)		
Inter Corporate Deposit from related party	1.50	1.50
Loan From Directors and Relatives of Director	401.20	356.60
Spice Energy Private Limited	130.88	209.35
	533.58	567.45
6 Other Current Liabilities		
Sundry Creditors for Expenses	1.72	2.86
Provisions for Expenses	0.53	0.55
Other Liabilities	0.20	0.42
	2.45	3.83

7 Tangible Fixed Assets ₹ million

Particulars	Land	Furniture & Fixtures	Office Equipments	Computer	Total	Previous year
Gross Block						
As at 01.04.2014	113.98	0.23	0.58	0.63	115.42	115.62
Additions during the year	0.58	-	-	-	0.58	0.01
Sales/(discarded) during the year	-	-	-	-	-	0.21
As at 31.03.2015	114.56	0.23	0.58	0.63	116.00	115.42
Depreciation						
As at 01.04.2014	-	0.12	0.42	0.50	1.04	1.09
Provided during the year	-	0.02	0.12	0.11	0.25	0.14
On Sale/adjustment	-	-	-	-	-	0.19
As at 31.03.2015	-	0.14	0.54	0.61	1.29	1.04
Impairment Loss						
As at 01.04.2014	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
As at 31.03.2015	-	-	-	-	-	-
Net Block						
As at 01.04.2014	113.98	0.11	0.16	0.13	114.38	-
As at 31.03.2015	114.56	0.09	0.04	0.02	114.71	-

Depreciation and Amortisation for the year	0.13	0.14
Less: Transferred to Preoperative expenses pending allocation	(0.13)	(0.14)
Depreciation & Amortisation as per Profit and Loss Account	-	-
	31.03.2015	31.03.2014
	₹ million	₹ million
Transitional Depreciation (Refer Note 2 (vii))	0.11	-
Less: Transferred to Preoperative expenses pending allocation	(0.11)	-
Depreciation & Amortization as per Profit and Loss Account	-	-

8 Intangible Fixed Assets

	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million
Goodwill		
Gross Block		
As at 01.04.2014	30.00	30.00
Additions during the year	-	-
As at 31.03.2015	30.00	30.00
Amortisation		
As at 01.04.2014	-	-
Charge for the year	-	-
As at 31.03.2015	-	-
Net Block		
As at 01.04.2014	30.00	30.00
As at 01.04.2015	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. 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 31.03.2015	As on 31.03.2014
	(₹ million)	(₹ million)
Opening Balance	288.53	269.06
Less: Written off during the year	1.08	-
Add: Expenditure incurred during the current year		

Salaries and Perquisites	6.24	11.02
Staff Welfare Expenses	-	0.03
Legal & Professional Fees	3.44	3.89
Travelling & Conveyance Expenses	0.09	0.52
Telephone / Internet Expenses	0.11	0.33
Auditors' Remuneration	0.17	0.11
Demerger Expenses	0.27	-
Rates and Taxes	0.13	-
Rent and Compensation	0.89	2.56
Vehicle Running Expenses	-	0.31
Repairs and Maintenance	0.04	0.05
Electricity Expenses	0.14	0.18
Printing & Stationery	0.01	0.14
Courier/Postage	0.01	0.03
Miscellaneous Expenses	0.44	0.70
Loss/Discard in Sale of Assets	-	0.01
Interest & Bank Charges (@= ` 2505)	@	-
Finance Cost	-	0.02
Depreciation & Amortisation	0.13	0.14
Transitional Depreciation	0.11	-
Total	12.22	20.04
Less : Exchange Rate Difference Gain (net)	-	0.57
Net Expenses for the year	12.22	19.47
Closing Balance	(i - ii + iii)	288.53

10 Loans and Advances

	Long Term		Short Term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	₹ million	₹ million	₹ million	₹ million
a Capital Advances				
Secured Considered good	-	-	-	-
Unsecured Considered good	92.03	144.03	-	-
	92.03	144.03	-	-
b Security Deposit				
Secured Considered good	-	-	-	-
Unsecured Considered good	0.26	1.11	0.41	0.11
	0.26	1.11	0.41	0.11

c Other Loans & Advances
Unsecured Considered goods

Advances recoverable in cash or in kind	-	-	-	1.04
	-	-	-	1.04
Total (a+b+c)	92.29	145.14	0.41	1.15

	As at 31.03.2015	As at 31.03.2014
	₹ million	₹ million
11 Cash and Cash Equivalents		
Balances with Banks in Current Account	0.31	0.29
Cash on Hand	0.20	0.02
	0.51	0.31
12 Other Income		
Excess Provision for earlier years written back	0.01	-
Interest on income tax refund/TDS written off recovered (@= ₹ 2260)	@	-
	0.01	-
13 Employee Benefit expenses		
Salaries	2.90	1.18
Gratuity (refer note no. 17)	0.09	0.24
Leave Encashment	0.12	0.29
	3.11	1.71
14 Other Expenses		
Advertisement Expenses	0.08	0.21
Auditors' Remuneration	0.35	0.47
Postage, Telephone, Telex & Courier Charges	0.13	0.06
Printing and Stationery	0.06	0.05
Rent	0.79	-
Legal and Professional Charges	0.27	0.27
Litigation Settlement	-	0.65
Interest on TDS (@ = ₹ 2701)	-	@
Secretarial Service Charges	0.24	0.24

Stamp Duty/ Filing Fees/Franchising/Notary Charges	-	0.21
Travelling & Conveyance Expenses	0.30	0.13
Annual Listing Fees	0.11	0.10
Miscellaneous Expenses	0.34	0.20
	2.67	2.59

15 Capital and other commitments

- i) Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2015 : Nil and as at 31/03/2014 : 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 and 297 of Companies Act, 1956 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

Actuarial Assumptions	2014-15	2013-14
Discount Rate (Per Annum)	7.90%	9.36%
Rate of increase in compensation levels	5%	5%
Expected average remaining lives of the employees (in no of years)	11-12	11-12
Attrition	2%	2%
	₹ million	₹ million

Particulars

	2014-15	2013-14
--	----------------	----------------

Change in Present Value of Obligation

I	Present value of defined benefits obligation as at the beginning of the year	0.60	1.48
	Interest Cost	0.06	0.15
	Current Service Cost	0.13	0.34
	Benefits Paid	(0.08)	(1.22)
	Actuarial (Gain) / loss on obligation	0.17	(0.13)
	Present value of defined benefits obligation as at the end of the year	0.88	0.60
II	Amount recognised in the Balance Sheet		
	Liability at the end of the year	0.88	0.60
	Fair Value of Plan Assets at the end of the year	-	-
	Amount recognised in the Balance Sheet	0.88	0.60
III	Expenses recognised in the Pre-operative Expenses / Statement of Profit and Loss		

Current Service Cost	0.13	0.34
Past Service Cost	-	-
Interest Cost	0.06	0.15
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss Recognised in the year	0.17	(0.13)
Total expenses recognised in the Preoperative Expenses / Statement of Profit and Loss	0.36	0.35

IV Balance Sheet Reconciliation

Liability at the beginning of the year	0.60	1.48
Expenses as above	0.36	0.35
Employers' Contribution	(0.08)	(1.22)
Amount recognised in the Balance Sheet	0.88	0.60

V Disclosures required under Para 120(n)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of defined benefit obligation	0.88	0.60	1.48	0.99	0.46
Fair Value of plan Asset	-	-	-	-	-
Surplus / (Deficit) in the Plan	(0.88)	(0.61)	(1.48)	(0.99)	(0.46)
Experience adjustment on liability {loss/(gain)}	0.12	(0.10)	0.05	0.24	0.02

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

Sovinchem Industries Pvt. Ltd.

3) Key Management Personnel :

Mr. Vishal Rastogi Managing Director

Mr. Gagan Rastogi Director (Resigned on November 14, 2014)

4) Relatives of Key Management Personnel

Mr. Gagan Rastogi

Mr. Deep Kumar Rastogi

B. Transactions with Related Parties

₹ million

Particulars	Holding Company		Key Management Personnel and Relatives of Key Management Personnel*		"Enterprise in which key management personnel and their relatives exercise significant influence"	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Loans Repaid	86.76	88.27	-	-	-	-
Loans Taken	8.29	20.62	44.60	90.00	-	1.50
Closing Balance:					-	-
Loan Payable	130.88	209.35	401.20	356.60	1.50	1.50

* Loan taken includes Loan taken from Mr. Gagan Rastogi amounting to Rs 44.3 Millions (90 Millions) and Loan payable includes Loan payable to Mr. Gagan Rastogi amounting to Rs. 400.90 Millions (356.60 Millions)

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

Disclosure as required under AS - 19 "Accounting for Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 is given below:

(a) The Company has entered into cancellable / non-cancellable leasing agreement for office premises renewable by mutual consent on mutually agreeable terms.

(b) Future minimum lease payments under non-cancellable operating lease are as under:

₹ million

Particulars	Lease Rental Debited to Statement of Profit and Loss / pre-operative expenses (Cancellable and Non cancellable)	Future Minimum Lease Rentals		
		Less Than 1 Year	Between 1 to 5 Years	More than 5 Years
Office Premises	1.68	0.28	-	-

Total lease payments recognised in Statement of Profit and loss / pre operative expenses during the year was ₹ 1.68 million (Previous Year : ₹ 2.56 million)

21 Earnings Per Share (EPS):

Particulars	As at	As at
	31.03.2015	31.03.2014
	₹ million	₹ million
Net Loss as per Statement of Profit and Loss (in ₹)	(6.85)	(4.30)
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 ₹)	(0.76)	(0.47)

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 Discontinuing Operations :

Pursuant to the resolution passed at the meeting of Board of directors of SRM Energy limited (Holding Company) held on March 09, 2015 to sale/ dispose off the Power Plant of its subsidiary viz. SRM Energy Tamilnadu Private Limited, subject to the necessary approvals from the shareholders and other statutory authorities, the following disclosures are being made as per the AS – 24 on Discontinuing Operations.

1) SRM Energy Tamilnadu Private Limited (the Company), wholly owned subsidiary of SRM Energy Limited, is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is in the process of setting up of the Thermal Power Project of 3 X 660 MW i.e. 1980 MW capacity in Tamilnadu. The said power project is still in Pre-operative stage and no expenses have been charged to Statement of Profit and Loss.

2) As the Company, at present, is operating in single segment viz. setting up of Thermal power project, only as per AS-17 on 'Segment Reporting', the disclosure as required by AS 17, Segment Reporting is not applicable;

3) At the meeting of Board of directors of SRM Energy limited (Holding Company) held on March 09, 2015, resolution has been passed to sale/ dispose off the Power Plant of its subsidiary viz SRM Energy Tamilnadu Private Limited, subject to the necessary approvals from the shareholders and other statutory authorities.

4) Since, the company is yet to find the proposed buyer, it is not possible to determine the date or period in which discontinuance is expected to be completed.

5) As at March 31, 2015, the carrying amount of assets to be disposed off was Rs. 536.88 millions (previous year Rs. 578.03 millions) and its liabilities to be settled were Rs. 525.80 millions (previous year Rs. 566.03 millions), including the provisions.

6) Since the company is in pre-operative stage, there was no revenue or profit attributable to the ordinary activities carried on by the company. The expenses and losses, incurred during the year are not being charged to the Profit and Loss account and the same are being considered under Capital Work-in-progress for pending allocation.

7) The amounts of net cash flows attributable to the operating, investing and financing activities of the discontinuing operation during the current financial reporting period are Rs. (1.08) millions, Rs. 40.50 millions and Rs. (38.48) millions respectively.

24 Going Concern

Though the Group's net worth has been significantly reduced and it has been incurring cash losses, the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Group. Further, the Board of Directors of the Company, in its meeting held on March 09, 2015 have decided to sell/dispose off the Power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and other statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

25 Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014, Salient features of the financial statement of its subsidiary are as follows:-

Name of the subsidiary SRM Energy Tamilnadu Pvt. Ltd.

Particulars	₹ million
Share Capital	13.2
Reserves & Surplus	(1.01)
Total Assets	537.99
Total Liabilities	525.79
Investment	-
Turnover	-
Profit/(Loss) before Taxation	-
Provision for Taxation	-
Profit/(Loss) after Taxation	-
Proposed Dividend	-
% of Shareholding	100%

26 **Particulars of Derivative Instruments as at March 31, 2015 :**

- 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)

27 Based on the information available with the company, both the balances due to Micro & Small Enterprises as defined under the MSMED Act, 2006 and interest paid /payable during the year under the terms of said act under the terms of MSMED Act are Nil (previous year nil). The auditors have relied upon in respect of this matter.

28. 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.

29. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)	
	As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit and loss	Amount (₹ in Millions)
Parent				
SRM Energy Limited	2888%	1.10	99%	(6.81)
Subsidiary (indian)				
SRM Energy Tamilnadu Pvt. Ltd.	31977%	12.19	0%	0.00
Adjustments arising out of consolidation		(13.26)		(0.04)
Consolidated Net Assets/ Profit after Tax		0.04		(6.85)

30. Previous year figures have been regrouped and rearranged wherever necessary. to make them comparable to those for the current year. Figures in bracket indicate previous year's figures.
31. Figures are rounded off to the million. '@'- represents figures less than Rs. 5,000 which have been shown at actual in brackets with '@'.

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Bhavik L. Shah

Partner

Membership No. 122071

Place : Mumbai

Date : 01.06.2015

For and on behalf of the Board of Directors

Vishal Rastogi

Managing Director

Place : Gurgoan,

Date : 29.05.2015

Sanjeevlata Samdani

Company Secretary

Place : Mumbai

Date : 01.06.2015

Sameer Rajpal

Director

Place : Gurgoan,

Date : 29.05.2015

Kailash Chandra Gupta

Chief Financial Officer

Place : Mumbai

Date : 01.06.2015

 **SRM ENERGY LIMITED**

CIN : L17100MH1985PLC037364

REGD OFFICE : B/ 23, GUNDECHA ONCLAVE, KHERANI ROAD, SAKINAKA, ANDHERI (E), MUMBAI 400 072

• Tel : +91 22 28523455 & 64555594 • Email : info@srmenergy.in • Website : www.srmenergy.in

PROXY FORM

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

28TH ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2015

Name of the member (s) :

Registered address :

E-mail Id :

Folio No / Client Id :

DP Id :

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

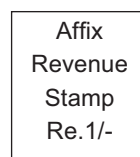
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 at Vishal Hall, Vishal Shopping Centre, Andheri Kurla Road, Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 at 02.00 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, 2015.			
2	Re-appointment of Mr. Vishal Rastogi who retires by rotation			
3	Appointment of M/s. Vatss & Associates, Chartered Accountants, Gurgaon, as Statutory Auditors of the Company and fix their remuneration.			
	Special Business:			
4	To regularize the appoint of Ms. Tanu Agarwal as Director of the Company.			
5	To authorize the Board to borrow monies under section 180(l)(c) of the Companies Act, 2013.			
6	To authorize the Board to create charge / mortgage properties of the company under section 180(1)(a) of the Companies Act, 2013.			
7	To Increase in limits of investments in other bodies corporate pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013.			

Signed this day of, 2015

Signature of shareholder

Signature of Proxy holder(s)



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Scrutinizer : Datamatics Financial Services Ltd., Plot No. B-5, Part B Cross Lane, MIDC, Andheri – East, Mumbai 4000 093, 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.

 SRM Energy **SRM ENERGY LIMITED**

CIN : L17100MH1985PLC037364

REGD OFFICE : B/ 23, GUNDECHA ONCLAVE, KHERANI ROAD, SAKINAKA, ANDHERI (E), MUMBAI 400 072

• Tel : +91 22 28523455 & 64555594 • Email : info@srmenergy.in • Website : www.srmenergy.in

ATTENDANCE SLIP**28TH ANNUAL GENERAL MEETING ON 30TH SEPTEMBER, 2015**

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 Wednesday, 30th September, 2015 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
--	---	------------------------------

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, 27th September, 2015 (09.00 am)) and ends on 29th September 2015 (05.00pm). The voting module shall be disabled by CDSL for voting thereafter.

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

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