VATSS & ASSOCIATES
CHARTERED ACCOUNTANTS

TO THE MEMBERS OF SRM ENERGY TAMILNADU PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SRM Energy Tamilnadu Private Limited ("the Company"), which comprise the Balance Sheet as at March 31,2018, and the statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those

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risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2018, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Attention of the matters is invited to note no.28 of the notes to accounts regarding the financial statements of the Company having been prepared on a Going Concern basis, the Company's net worth has been significantly reduced and it has been incurring cash losses and the promoters have infused funds by way of unsecured loan and are committed to provide necessary funding to meet the liabilities and future running expenses of the Company. Further, the Board of Directors of the Company have decided to sell/dispose off the power plant transferred in its wholly owned subsidiary, subject to necessary approvals from the shareholders and the statutory authorities, if any. In view of above developments, the accounts have been prepared under going concern basis.

Our opinion is not modified in respect to this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

VATSS & ASSOCIATES
NEW DELHI
CHARTERED ACCOUNTANTS

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-

(i) The Company has disclose the impact of pending litigations on its financial position in its financial statements-Refer Note 18 on Contingent Liabilities;

(ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise; and

(iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

VATSS & ASSOCIATES
NEW DELHI
CHARTERED ACCOUNTANTS

Suresh Arora
Partner(M/N: 90862)
Place: New Delhi
Dated: 25/05/2018

ANNEXURE "A"
TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **SRM ENERGY TAMILNADU PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

VATSS & ASSOCIATES * NEW DELHI * CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V A T S S & ASSOCIATES**
Chartered Accountants
Firm Regn. No.: 017573N

NEW DELHI

Suresh Kumar Arora
Partner
Membership No. 090862
Place: New Delhi
Dated: 25/05/2018

ANNEXURE "B"

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report of even date to the members of **SRM ENERGY TAMILNADU PRIVATE LIMITED** on the accounts of the company for the year ended 31st March, 2018

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable property are held in the name of the company;

(ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company;

(iii) As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act,2013. Hence clauses 3(iii) (a) to (c) of the order are not applicable to the Company.

(iv) In our opinion, and according to the information and explanations given to us, the company has compiled with the provisions of section 185 and 186 of the Companies Act,2013 in respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies(Acceptance of Deposit) Rules,2015 with regard to the deposits accepted from the public are not applicable.

(vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

(vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, Cess and any other statutory dues applicable to it, though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable;
(b) As per records produced before us and according to the information and explanations given to us, there are no dues of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Value added tax, Cess and other material statutory dues, as applicable to the Company, which have not been deposited on account of any dispute.

(viii) According to the records of the company examined by us and as per the information and explanations given to us, the company has not taken any loans

VATSS & ASSOCIATES
NEW DELHI
CHARTERED ACCOUNTANTS

from any financial institutions, banks or debenture holder and hence the question of defaulting in repayment of dues does not arise.

(ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(x) According to the records of the company examined by us and as per the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion, the Company has not paid any managerial remuneration. Therefore, the provisions of clause 4 (xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(xiii) According to the records of the company examined by us and as per the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) According to the records of the company examined by us and as per the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the records of the company examined by us and as per the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

NEW DELHI

Suresh Arora
Partner(M/N: 090862)
Place: New Delhi
Dated: 25/05/2018

SRM ENERGY TAMILNADU PRIVATE LIMITED
Balance Sheet as at 31st March 2018
(Amount in Rupees, except for share data and if otherwise stated)

Amt. in ₹

	Notes No.	AS at 31st Mar-2018	AS at 31-March-2017
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4	114,124,385	114,155,840
(b) Capital work-in-progress	6	307,518,801	306,530,965
(c) Investment Property		-	-
(d) Goodwill on consolidation		-	-
(e) Goodwill	5	30,000,000	30,000,000
(f) Other Intangible assets		-	-
(g) Intangible assets under development		-	-
(h) Biological Assets other than bearer plants			
(i) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Loans			
(iv) Others (to be specified)		-	-
(j) Deferred tax assets (net)		-	-
(k) Other non-current assets	7	6,074,690	6,074,690
(2) Current assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	8	69,675	228,347
(iv) Bank balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	7	841,697	1,130,152
Total Assets		**458,629,248**	**458,119,994**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	13,200,000	13,200,000
(b) Other Equity	10	(1,006,337)	(1,006,337)
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions	11	-	81,981
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	446,246,603	445,115,603
(ii) Trade payables		-	-
(iii) Other financial liabilities (other than those specified in item (c)		-	-
(b) Other current liabilities	13	188,982	662,549
(c) Provisions	11	-	66,198
(d) Current Tax Liabilities (Net)		-	-
Total Equity and Liabilities		**458,629,248**	**458,119,994**

Accompanying notes forming part of financial statement **1 to 30**

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

NEW DELHI

Suresh Arora
Partner
M. No. 090862

Place: New Delhi
Date : 25.05.2018

For and on behalf of the Board of Directors

V. Rastogi

Vishal Rastogi
Director
DIN : 02780975

Vijay Kumar Sharma
Director
DIN : 03272034

SRM ENERGY TAMILNADU PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st Mar-2018
(Amount in Rupees, except for share data and if otherwise stated)

Particulars	Notes Reference	Year ended 31st March-18	Year ended 31st March-17
I Revenue From Operations			
Other Income		-	-
Total Revenue (I)		-	-
II EXPENSES			
Cost of Material consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, stock in trade work in progress		-	-
Employee benefits expense		-	-
Finance costs			
Depreciation and amortization expenses		-	-
Other expenses		-	-
Total expenses (II)		-	-
III Profit before exceptional items and tax (I-II)		-	-
IV Exceptional Items		-	-
V Profit/(loss) before tax (III-IV)		-	-
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit (Loss) for the period from continuing operations (V-VI)		-	-
VIII Profit/(loss) from discontinued operations		-	-
IX Tax expense of discontinued operations		-	-
X Profit/(loss) from Discontinued operations (after tax) (VIII-IX)		-	-
XI Profit/(loss) for the period (VII+ X)		-	-
XII Other Comprehensive Income		-	-
A Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
Net movement on cash flow hedges		-	-
Income tax effect		-	-
Net (loss)/gain on FVTOCI financial instruments		-	-
Income tax effect			
B Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax effect		-	-
Revaluation of property, plant and equipment		-	-
Income tax effect		-	-
XIII Total Comprehensive Income for the period (XI + XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		-	-
XIV Earnings per equity share (for continuing operation):			
(1) Basic		-	-
(2) Diluted		-	-
XV Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVI Earnings per equity share(for discontinued & continuing operations)			
(1) Basic		-	-
(2) Diluted		-	-

Accompanying notes forming part of financial statement 1 to 30

For VATSS & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 017573N

Suresh Arora
Partner
M. No. 090862

Place: New Delhi
Date:25.05.2018

For and on behalf of the Board of Directors

V. Rastogi

Vishal Rastogi
Director
DIN : 02780975

Vijay Kumar Sharma
Director
DIN : 03272034

SRM ENERGY TAMILNADU PRIVATE LIMITED
Statement of Change in Equity for the year ended 31st Mar-2018
(Amount in Rupees, except for share data and if otherwise stated)

Amt. in ₹

(a) Equity Share Capital	
Balance as at March 31, 2016	13,200,000
Cahnge in equity share capital during the year	-
Balance as at March 31, 2017	13,200,000
Cahnge in equity share capital during the year	-
Balance as at March 31, 2018	13,200,000

(b) Other Equity					
	Reserve and Surplus				
	Capital reserve reserve	General reserve reserve	Retained earnings Retained	Foreign currency translation reserve	Total
Balance as at March 31, 2016	-	-	(1,006,337)	-	(1,006,337)
Profit/(Loss) for the year	-	-	-	-	-
Other Comprehensive income for the year,net of income tax	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Payment of Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance at March 31, 2017	-	-	(1,006,337)	-	(1,006,337)
Profit/(Loss) for the year	-	-	-	-	-
Other Comprehensive income for the year,net of income tax	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Payment of Dividend	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance at March 31, 2018	-	-	(1,006,337)	-	(1,006,337)

Accompanying notes forming part of the financial statements. **1 to 30**

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

NEW DELHI

Suresh Arora
Partner
M. No. 090862

For and on behalf of the Board of Directors

V. Rastogi

Vishal Rastogi
Director
DIN : 02780975

Vijay Kumar Sharma
Director
DIN : 03272034

Place: New Delhi
Date:25.05.2018

SRM ENERGY TAMILNADU PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

	PARTICULARS	For The Year Ended 31.03.2018 Amount in ₹	For The Year Ended 31.03.2017 Amount in ₹
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT/(LOSS) BEFORE TAX	-	-
	ADJUSTMENTS FOR		
	Interest and Finance Charges		-
	OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES	-	-
	ADJUSTMENT FOR		
	Increase/(Decrease) in Other Current Liabilities	**(473,567)**	(261,341)
	Increase/(Decrease) in Short-term Provisions	**(66,198)**	(693,193)
	Increase/(Decrease) in Long-term Provisions	**(81,981)**	(233,824)
	Decrease/(Increase) in Short-term Loans and Advances	**288,455**	42,788
	CASH (OUTFLOW) / GENERATED FROM OPERATIONS	**(333,291)**	(1,145,570)
	Income Tax Refund/(Paid)	-	-
	NET CASH (OUTFLOW) / GENERATED FROM OPERATING ACTIVITIES (A)	**(333,291)**	(1,145,570)
(B)	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed Assets including CWIP and Capital Advances	**(956,381)**	161,464
	Decrease/(Increase) in Long-term Loans and Advances	-	85,955,931
	Proceeds from Sale of Fixed Assets		511,699
	Purchase of Current Investments	-	-
	NET CASH USED IN INVESTMENT ACTIVITIES (B)	**(956,381)**	86,629,094
(C)	**CASH FLOW FROM FINANCE ACTIVITIES**		
	Proceeds from Short-term Borrowings	**32,715,000**	39,150,000
	Repayment of Short-term Borrowings	**(31,584,000)**	(124,565,000)
	Interest and Finance Charges Paid	-	-
	NET CASH FROM FINANCIAL ACTIVITIES (C)	**1,131,000**	(85,415,000)
(D)	**NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)**	**(158,672)**	68,524
(E)	**CASH & CASH EQUIVALENTS - OPENING BALANCE**	**228,347**	159,823
	Add: Transferred from SRM Energy Ltd. as per Scheme of Arrangement	-	-
(F)	**CASH & CASH EQUIVALENTS - CLOSING BALANCE**	**69,675**	228,347

As per our attached report of even date

For Vatss & Associates
Chartered Accountants
Firm Registration No. 017573N

NEW DELHI

Suresh Arora
Partner
Membership No. 90862

For and on behalf of the Board of Directors

V. Rastogi

Vishal Rastogi
Director
DIN : 02780975

Vijay Kumar Sharma
Director
DIN : 03272034

Place : New Delhi
Date : 25.05.2018

SRM ENERGY TAMILNADU PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2018

1. Corporate Information

SRM Energy Tamilnadu Private Limited ("the company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the 2013 Act"). The Company has been engaged in setting up Thermal power project.

2. Significant Accounting Policies

2.1 Statement of Compliance

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

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2016 as the transaction date. The transaction was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014(IGAAP), which was the previous GAAP.

2.2 Basis of preparation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.
The principal accounting policies are set out below.
All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months.

2.3 Property, plant and equipment [PPE]

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.
All items of property plant and equipment have been measured at fair value at the date of transition to Ind AS. The Company have opted such fair valuation as deemed cost at the transition date i.e. April 1, 2016.
Cost of acquisition or construction is inclusive of freight, duties, relevant taxes, incidental expenses and interest on loans attributable to the acquisition of qualifying assets, up to the date of commissioning of the assets. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for qualifying assets, upto the date of commissioning of the assets

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

2.5 Depreciation
Depreciation has been provided following Written Down Value Method based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013, unless stated otherwise. Goodwill arose during 2007-08 on amalgamation of SRM Energy Pvt. Ltd., a Special Purpose Vehicle for implementing Power Project, into SRM Energy Limited as per the Scheme of Amalgamation approved by the Hon'ble High Courts at Bombay and Delhi and is being transferred from SRM Energy Ltd to 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

Freehold land is not depreciated.

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

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

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

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

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

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

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2.8 Borrowing costs

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

2.9 Leasing

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

2.10 Foreign Currencies

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated asset and liabilities (monetary items) are translated into reporting currency at the exchange rates prevailing on the Balance Sheet date. Exchange difference arising on settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) recognized in the Statement of Profit and Loss / Pre-operative expenses.

2.11 Employee benefits

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

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

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

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

2.12 Investments

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

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2.13 Provisions and Contingent Liabilities

Provisions

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

Contingent liability

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

2.14 Taxation

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

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

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

2.15 Earnings per share

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

2.16 Cash flow statement

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

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2.17 First-time adoption - mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the exception and certain optional exemptions availed by the Company as detailed below:

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2016.

Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3 **Scheme of Arrangement :**

In view of the orders of the Hon'ble Bombay High Court dated 3rd September 2013, (which was filed with the Registrar of Companies on 11th October 2013- the Effective date) approving the Scheme of Arrangement (Scheme) under Section 391 to 394 of the Companies Act, 1956 for hive off of the Cuddalore Power Division of SRM Energy Limited to the Company,with effect from 1st April 2012 (the "Appointed Date"), the figures pertaining to financial year ended on March 31, 2013 have been restated to give effect to the Scheme and are approved by the Board of Directors in their meeting held on October 18, 2013. Accordingly all the assets and liabilities of Cuddalore Power Division of SRM Energy Limited at book value as on 01.04.2012 along with increase or decrease thereafter were transferred to the Company. 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 Company are under way.

4 **Property, Plant and Equipment**

Amt. in ₹

Particulars	Land	Furniture & Fixtures	Office Equipments	Computer	Total	Previous year
Gross Block						
As at 01.04.2017	114,120,309	179,054	562,395	545,624	115,407,382	115,904,117
Add: Transferred as per the said Scheme	-	-	-	-	-	-
Additions during the year		-	-	-	-	62,690
Sales/(discarded) during the year					-	559,425
As at 31.03.2018	**114,120,309**	**179,054**	**562,395**	**545,624**	**115,407,382**	115,407,382
Depreciation						
As at 01.04.2017	-	160,490	549,504	541,548	1,251,542	1,283,368
Add: Transferred as per the said Scheme	-	-	-	-	-	-
Provided during the year	-	18,564	12,891	-	31,455	15,900
Adjusted for Last Financial Year	-	-	-	-	-	-
On Sale/adjustment	-				-	47,726
As at 31.03.2018	-	**179,054**	**562,395**	**541,548**	**1,282,997**	**1,251,542**
Impairment Loss						
As at 01.04.2017	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
As at 31.03.2018	-	-	-	-	-	-
Net Block						
As at 01.04.2017	114,120,309	18,564	12,891	4,076	114,155,840	114,620,749
As at 31.03.2018	**114,120,309**	**(0)**	**0**	**4,076**	**114,124,385**	114,155,840

	Current year Amt. in ₹	**Previous year Amt. in ₹**
Depreciation and Amortization for the year	**31,455**	15,900
Less: Transferred to Preoperative expenses pending allocation	**(31,455)**	(15,900)
Depreciation & Amortization as per Profit and Loss Account	-	-

	Current year Amt. in ₹	**Previous year Amt. in ₹**
Depreciation for last financial year **(Refer Note 2 (v))**	**0**	-
Less: Transferred to Preoperative expenses pending allocation	-	-
Depreciation & Amortization as per Profit and Loss Account	-	-

5 Intangible Fixed Assets

Goodwill		
Gross Block		
As at 01.04.2017	**30,000,000**	30,000,000
Add: Transferred as per the said Scheme	-	-
As at 31.03.2018	**30,000,000**	30,000,000
Amortization		
As at 01.04.2017	-	-
Charge for the year	-	-
As at 31.03.2018	-	-
Net Block		
As at 01.04.2017	**30,000,000**	30,000,000
As at 31.03.2018	**30,000,000**	**30,000,000**

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6 **Capital work in Progress**

The Company is in the process of setting up a 3X660 MW Thermal Power Project in the State of Tamilnadu. As such the related expenses incurred during the current year

Amt. in ₹

Particulars	As at 01.04.2017	For the year	As at 31.03.2018
Salaries and Perquisites	116,952,087	81,000	117,033,087
Staff Welfare Expenses	995,249	2,830	998,079
Legal & Professional Fees	104,152,938	548,694	104,701,632
Travelling & Conveyance Expenses	19,194,288	45,024	19,239,311
Telephone / Internet Expenses	3,932,463	7,547	3,940,010
Auditors' Remuneration	1,436,673	50,000	1,486,673
Advertisement	10,425,059		10,425,059
Demerger Exp	270,927		270,927
Rates and Taxes	260,393	4,384	264,777
Rent and Compensation	32,886,092	102,300	32,988,392
Vehicle Running Expenses	2,862,632		2,862,632
Repairs and Maintenance	1,826,949		1,826,949
Electricity Expenses	1,817,492	1,640	1,819,132
Printing & Stationery	3,448,619	16,195	3,464,814
Courier/Postage	358,550	5,246	363,796
Advance Written Off	37,813,450		37,813,450
Miscellaneous Expenses	8,257,048	90,005	8,347,053
Loss/Discard in Sale of Assets	276,238		276,238
Interest and Bank Charges	3,622,838	1,517	3,624,355
Depreciation & Amortization	1,523,582	31,455	1,555,037
Depreciation for the last financial year	170,377		170,377
Total	**352,483,943**	**987,836**	**353,471,779**
Less : Interest Income on Deposit with Bank	55,526	-	55,526
Less : Exchange rate fluctuation gain	1,453,372	-	1,453,372
Less : Dividend from Investment in Mutual Funds	21,189	-	21,189
Less : Profit on Sale of Assets	535	-	535
Less : Other Income	44,791,955		44,791,955
Balance	**306,161,365**	**987,836**	**307,149,201**
Add : Fringe Benefit Tax	369,600	-	369,600
Net Expenses	**306,530,965**	**987,836**	**307,518,801**

7 **Loans and Advances**

		Long Term		Short Term	
		31.03.2018 Amt. in ₹	31.03.2017 Amt. in ₹	**31.03.2018 Amt. in ₹**	31.03.2017 Amt. in ₹
a	**Capital Advances**				
	Secured Considered good	-	-	-	-
	Unsecured Considered good	**6,009,980**	6,009,980	-	-
		6,009,980	6,009,980	-	-
b	**Security Deposit**				
	Secured Considered good	-	-	-	-
	Unsecured Considered good	-	-	-	399,000
		-	-	-	399,000
c	**Other Loans & Advances**				
	Unsecured Considered good				
	Deposit for Income Tax Appeal	**64,710**	64,710		
	Advance to Staff	-	-	-	-
	Demerger Expenses Recoverable				
	Prepaid Expenses	-	-	-	-
	Loans and advances to Employees	-	-	-	-
	Loans & advances to Holding Company	-	-	-	-
	Balance with Revenue authorities'			**15,750**	
	Advance to Sundry Creditors for Expenses	-	-	**825,947**	731,152
		64,710	**64,710**	**841,697**	731,152
	Total (a+b+c)	**6,074,690**	6,074,690	**841,697**	1,130,152

8 **Cash and Cash Equivalents**

	31.03.2018 Amt. in ₹	**31.03.2017** Amt. in ₹
Balances with Banks in Current Account	**63,782**	158,743
Cash on Hand	**5,893**	69,604
	69,675	228,347

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9 **Equity Share Capital**

	31.03.2018		31.03.2017	
Authorized	No.	Amt. in ₹	No.	Amt. in ₹
Equity Shares of ₹.10/- each	**1500000**	**15000000**	1500000	15000000
	1500000	**15000000**	1500000	15000000

Pursuant to the said Scheme approved by the Hon'ble Bombay High Court, the Authorized Capital stands increased to Rs.15,000,000 divided into 1,500,000 equity shares of Rs.10 each.

Issued, subscribed and paid up				
Equity Shares of ₹10/- each, fully paid-up	**1320000**	**13200000**	1320000	13200000
	1320000	**13200000**	1320000	13200000

9.1 **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares				
At the beginning of the year	**1320000**	**13200000**	1320000	13200000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1320000**	**13200000**	1320000	13200000

9.2 13,20,000 Equity Shares (Previous year 10,000) of Rs. 10/- each fully paid-up are held by holding company - SRM Energy Ltd. & its nominees

9.3

Details of shareholders holding more than 5% shares in the Company	**31.03.2018**		**31.03.2017**	
	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10 each fully paid up held by SRM Energy Limited, the holding Company	**1320000**	**100.00%**	1320000	100.00%
	1320000	**100.00%**	1320000	100.00%

9.4 **Terms / rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend 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.

	31.03.2018 **Amt. in ₹**	31.03.2017 Amt. in ₹
10 **Other Equity**		
Surplus		
Balance as per last financial statements	**(1,006,337)**	(1,006,337)
Loss for the Current year	-	-
Balance at the end of the year	**(1,006,337)**	(1,006,337)

11 **Provisions**	**Non-Current**			Current
	31.03.2018 **Amt. in ₹**	31.03.2017 Amt. in ₹	**31.03.2018** **Amt. in ₹**	31.03.2017 Amt. in ₹
Provision for employee benefit				
Provision for Gratuity	-	81,981	-	-
Provision for Leave Encashment	-	-	-	-
Provision for Expenses	-	-	-	66,198
	-	81,981	-	66,198

12 **Financial Liabilities- Borrowings (Refer Note No. 19)**				
Loan from Spice Energy Pvt. Ltd. (Unsecured & repayable on demand)	-	-	**21,905,603**	53,189,603
Loan from Directors (Unsecured & repayable on demand)	-	-	**422,841,000**	390,426,000
Sovinchem Industries Pvt. Ltd. (Unsecured & repayable on demand)	-	-	**1,500,000**	1,500,000
	-	-	**446,246,603**	445,115,603

13 **Other Current Liabilities**	**31.03.2018** **Amt. in ₹**	31.03.2017 Amt. in ₹
Sundry Creditors for Expenses	**147,982**	606,629
Other Liabilities	**41,000**	55,920
	188,982	662,549

14 **Capital and other commitments**

i) Estimated amount of contract remaining to be executed on capital account net of advances paid as at 31/03/2018 : Nil (Previous year: Nil)

ii) For commitment relating to lease arrangments, please Refer Note 20 below

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15 Other Expenses	31.03.2018 Amt. in ₹	31.03.2017 Amt. in ₹
Interest on TDS	-	-
Provision of Tax	-	-
TDS Penalty	-	-
Audit Fees	-	-
Legal & Professional Fees	-	-
Advertisement Exps	-	-
Printing and Stationery	-	-
Secretarial Exps	-	-
Stamp Duty/ Filing Fees/Franking/Notary Charges	-	-
Demerger Exps	-	-
Bank Charges	-	-
	-	-

16 **Auditors' Remuneration (including service tax) consists of the following :**

Towards Statutory Audit	-	-
Total	-	-

17 **Expenditure in Foreign Currency:**

Travelling Expenses	-	-

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

Defined Benefits Plans

Gratuity

Actuarial Assumptions	2017-18	2016-17
Discount Rate (Per Annum)	0.00%	6.35%
Rate of increase in compensation levels (Per Annum)	0%	5%
Expected average remaining lives of the employees (in no of years)	0	11
Attrition Rate	0%	2%

	Particulars	Amt. in ₹ 2017-18	Amt. in ₹ 2016-17
I	**Change in Present Value of Obligation**		
	Present value of defined benefits obligation as at the beginning of the year	-	703,955
	Transferred from SRM Energy Ltd. as per the said Scheme	-	-
	Interest Cost	-	52,656
	Current Service Cost	-	102,643
	(Liability Transferred Out/ Divestments)	-	(634,725)
	Actuarial (Gain) / loss on obligation	-	(142,618)
	Present value of defined benefits obligation as at the end of the year	-	81,911
II	**Amount recognized in the Balance Sheet**		
	Liability at the end of the year	-	81,911
	Fair Value of Plan Assets at the end of the year	-	-
	Difference	-	81,911
	Unrecognized Past Service Cost	-	-
	Unrecognized Transitional Liability	-	-
	Amount recognized in the Balance Sheet	-	81,911
III	**Expenses recognized in the Pre-operative Expenses**		
	Current Service Cost	-	102,643
	Past Service Cost	-	-
	Interest Cost	-	52,656
	Expected Return on Plan Assets	-	-
	Recognition of Transitional Liability	-	-
	Net Actuarial (Gain)/Loss Recognized in the year	-	(142,618)
	Total expenses recognized in the Preoperative Expenses	-	12,681
IV	**Balance Sheet Reconciliation**		
	Liability at the beginning of the year	-	703,955
	Expenses as above(Refer point III)	-	12,681
	Net (Liability)/Asset Transfer Out	-	(634,725)
	Amount recognized in the Balance Sheet	-	81,911

V **Disclosures as required under Para 120(n):**

Particulars	2017-2018	2016-17	2015-16	2014-2015	2013-2014
Present value of defined benefit obligation	-	148,617	107,448	1,108,469	486,582
Fair Value of Plan Assets	-	-	-	-	-
Surplus / (Deficit) in the Plan	-	(148,617)	(107,448)	(1,108,469)	(486,582)
Experience adjustment on liability	-	(142,618)	135,823	115,185	54,206

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

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

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19 **Related Party Transactions as per Accounting Standard – 18:**

A **List of Related Parties**

1) **Holding Company:**
SRM Energy Limited

2) **Key Management Personnel :**

Gagan Deep Kumar Rastogi	Director
Deep Kumar Rastogi *	Promoter Director
Vishal Rastogi	Director
Vijay Kumar Sharma	Director
Sameer Rajpal	Director

*Resigned wef 12th October 2017

3) **Enterprises over which key management personnel and relatives of such personnel exercise significant influence [Parties with whom the Company has entered into transactions during the year]**

- Spice Energy Pvt. Ltd.
- Sovinchem Industries LLP

B **Transaction with Related parties**

Amt. in ₹

Particulars	Holding Company		Key Management Personnel		Enterprises where key management personnel and their relatives exercise significant influence	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Share Application Money Received	-	-	-	-	-	-
Shares Allotted against share application money	-	-	-	-	-	-
Amount paid pursuant to Scheme	-	-	-	-	-	-
Temporary Loan Received	-		32,715,000	39,150,000		
Temporary Loan Given / Repaid	**94,795**	-	**300,000**	94,070,000	**31,284,000**	30,495,000
Expenses Incurred on their behalf	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Closing Balance:						
Loan Payable - Mr. Gagan Rastogi	-	-	**422,841,000**	390,126,000	-	-
Loan Payable - Spice Energy P. Ltd.	-	-			**21,905,603**	53,189,603
Loan Payable	-	-	-	300,000	**1,500,000**	1,500,000
Loan Receivable	**825,947**	731,152	-	-	-	-
Sundry Debtors for Expenses	-	-	-	-	-	-

20 **Disclosure as required by Accounting Standard -19 are as follows:**
The Company has taken office premises under leave and license agreements against refundable interest free deposit. These are generally cancellable and are renewable by mutual consent on mutually agreed terms. The obligation towards non-cancellable leases are as under:

Lease Obligation	**31.03.2018** Amt. in ₹	31.03.2017 Amt. in ₹
Not later than one year	-	-
Later than one year but not later than five years	-	-

Total lease payments recognized in the pre-operative expenses during the year was Rs. 102,300/- (Previous Year : 3,96,000/-)

21 **Earnings Per Share (EPS):**

Particulars	**31.03.2018**	31.03.2017
Net Loss as per Profit and Loss Account (in ₹)	-	-
Weighted average number of equity shares (par value of ₹ 10/- each)	**1,320,000**	1,320,000
Earnings per share (Face value of ₹.10/-each)- Basic (in ₹)	-	-
Earnings per share (Face value of ₹.10/-each)- Diluted (in ₹)	-	-

22 **Contingent Liabilities And Commitments (To The Extent Not Provided For)**

Particulars	As at March 31,2018	As at March 31,2017
Contingent Liabilities :		
Disputed Duties/Tax Demands relating to AY-2013-14	474,390.00	431,400.00

23 **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'.

VATSS & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

24 **Discontinuing Operations :**

Pursuant to the resolution passed at the meeting of Board of directors of SRM Energy limited (Holding Company) held on March 09, 2015 to sale/ dispose off the Power Plant of its subsidiary viz. SRM Energy Tamilnadu Private Limited, subject to the necessary approvals from the shareholders and other statutory authorities, the following disclosures are being made as per the 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) Since the company is in pre–operative stage, there was no revenue or profit attributable to the ordinary activities carried on by the company. The expenses and losses, incurred during the year are not being charged to the Profit and Loss account and the same are being considered under Capital Work-in-progress for pending allocation.

6) The amounts of net cash flows attributable to the operating, investing and financing activities of the discontinuing operation during the current financial reporting period are Rs.(-) 0.03 Crore, Rs.(-) 0.10 Crores and Rs. 0.11 Crores respectively.

25 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).

26 **Particulars of Derivative Instruments as at March 31, 2018 :**

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 100,000 (previous year 100,000)

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

28 **Going Concern :**

The resolution has been passed at the meeting of Board of directors of SRM Energy limited (Holding Company) dated 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. However, the holding company is yet to take the necessary permission from its shareholders and and other statutory approvals. Further, as explained, the promoters have infused funds from time-to-time wherever required and are committed to provide necessary funding to meet the liabilities and future running expenses. In view of above developments, the accounts have been prepared under going concern basis.

29 Figures for the previous year have been regrouped / rearranged wherever necessary to conform to the current year's classification.

30 Figures are rounded off to the nearest Rupee.

As per our attached report of even date
For Vatss & Associates
Chartered Accountants
Firm Registration No. 017573N

VATSS & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Suresh Arora
Partner
Membership No. 90862

Place : New Delhi
Date : 25.05.2018

For and on behalf of the Board of Directors

V. Rastogi

Vishal Rastogi
Director
DIN : 02780975

Vijay Kumar Sharma
Director
DIN : 03272034