



SRM ENERGY LIMITED

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Ref: SRMEL/ST.EX./2024-25/

BOMBAY STOCK EXCHANGE LIMITED
DEPARTMENT OF CORPORATE SERVICES
FLOOR 25, PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
MUMBAI-400001

Dated: May 28, 2024

Our Scrip Code: 523222

Sub: Statement of Impact of Audit Qualifications.

Dear Sir/Madam,

This is with reference to our earlier announcement dated May 28, 2024 subjected with "Outcome of Board Meeting held on May 28, 2024 and Audited Financial Results (Both Standalone and Consolidated) of the Company for the Quarter and Financial Year ended on March 31, 2024". We are enclosing herewith the Statements on the Impact of Auditors Qualifications.

This is for your information and record please.

Thanking you,
Yours Faithfully,

For **SRM Energy Limited**

(Pankaj Gupta)
Company Secretary & Compliance Officer
ICSI M. No. A63088

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Standalone Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	0.02	0.02
	2.	Total Expenditure	38.63	170.63
	3.	Net Profit/(Loss)	(39.12)	(171.12)
	4.	Earnings Per Share	(0.43)	(1.88)
	5.	Total Assets	133.22	1.22
	6.	Total Liabilities	505.21	505.21
	7.	Net Worth	(371.99)	(503.99)
	8.	Any other financial item(s) (as felt appropriate by the management)	N.A.	
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: –Annexure A			
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion –Annexure A			
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing – Annexure A			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: — Annexure A			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: –Annexure A			
	(ii) If management is unable to estimate the impact, reasons for the same: –Annexure A			
	(iii) Auditors' Comments on (i) or (ii) above: –Annexure A			
III.	Signatories:			
	CEO/Managing Director/Whole-time Director		CFO	
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	Audit Committee Chairman		Statutory Auditor	
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	Date : 28.05.2024			

Annexure A (standalone)

S. No.	Details of Audit Qualification	Type of Audit Qualification	Frequency of qualification	For Audit Qualification(s) where the impact is quantified by the auditor	For Audit Qualification(s) where the impact is not quantified by the auditor		
				Management's Views	Management's estimation on the impact of audit qualification (I)	If management is unable to estimate the impact, reasons for the same (II)	Auditors' Comments on (I) or (II)
1.	Attention is drawn to Note 4 of the Statement which describes that the Company has no business operations and is continuously incurring cash losses. The Company has accumulated losses and its net worth has been fully eroded. Further, its current liabilities exceeded its current assets as at the balance sheet date. In the absence of any supportive audit evidence, there is material uncertainty of the Company's continuity as going concern and its ability to meet its financial and operational obligations as and when they fall due.	Qualified Opinion	First Time	Not Applicable	Not Applicable	The Parent Company's management is committed to provide the requisite financial support to maintain the 'Going Concern' status until some business projects are introduced.	Impact of audit qualification due to going concern accounting is not estimated by the management.
2.	Attention is drawn to Note 5 of the Statement which describes that the Company has equity investment in wholly owned subsidiary company amounting to Rs 132.00 lakhs. As the subsidiary has no business operations and is continuously incurring cash losses, has accumulated losses and its net worth has been fully eroded, its current liabilities exceeded its current assets as at the balance sheet date, the entire investment should be provided for impairment. However, the management believes that the investment in subsidiary is good for recovery. In the absence of any supportive audit evidence, we are unable to comment on the recoverability of this	Qualified Opinion	First Time	The Management of the WOS has decided to approach to the NCLT u/s 10 of the IBC and hopeful that it shall receive resolution for this Company and hence, it is believed that the said investment in	Impact is quantified by Auditors, hence not applicable	Impact is quantified by Auditors, hence not applicable	Not Applicable

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investment. Had the Company made the provision, the loss for the year would have been higher by Rs 132.00 lakhs and the investment as at that date would have been lower by Rs 132.00 lakhs			the WOS has not lost its value.			
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**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Consolidated Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	2.70	2.70
	2.	Total Expenditure	80.06	80.06
	3.	Net Profit/(Loss)	(79.03)	(79.03)
	4.	Earnings Per Share	(0.87)	(0.87)
	5.	Total Assets	3.64	3.64
	6.	Total Liabilities	4611.24	4611.24
	7.	Net Worth	(4607.60)	(4607.60)
	8.	Any other financial item(s) (as felt appropriate by the management)	NA	NA
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification: –Annexure A			
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	(i) Management's estimation on the impact of audit qualification: –Annexure A			
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	(iii) Auditors' Comments on (i) or (ii) above: –Annexure A			
III.	<u>Signatories:</u>			
	CEO/Managing Director/Whole-time Director		CFO	
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	Audit Committee Chairman		Statutory Auditor	
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	Date :			

Annexure A (Consolidated)

S. No.	Details of Audit Qualification	Type of Audit Qualification	Frequency of qualification	For Audit Qualification(s) where the impact is quantified by the auditor	For Audit Qualification(s) where the impact is not quantified by the auditor		
				Management's Views	Management's estimation on the impact of audit qualification (I)	If management is unable to estimate the impact, reasons for the same (II)	Auditors' Comments on (I) or (II)
1.	Attention is drawn to Note 4 of the Statement which describes that the Group has no business operations and is continuously incurring cash losses. The Group has accumulated losses and its net worth has been fully eroded. Further, its current liabilities exceeded its current assets as at the balance sheet date. In the absence of any supportive audit evidence, there is material uncertainty of the Group's continuity as going concern and its ability to meet its financial and operational obligations as and when they fall due.	Qualified Opinion	First Time	Not Applicable	Not Applicable	The Parent Company's management is committed to provide the requisite financial support to maintain the 'Going Concern' status until some business projects are introduced.	Impact of audit qualification due to going concern accounting is not estimated by the management.
2.	Attention is invited to Note 5 of the Statement which describes that the SRM Energy Tamilnadu Private Limited (SETPL), a wholly owned subsidiary, during the year has received an Attachment Order from Securities and Exchange Board of India (SEBI) attaching and directing to remit the loan amount of Rs 4,326.56 lakhs given to SETPL by Mr. Gagan Rastogi to SEBI. SETPL has expressed its inability to remit the	Qualified Opinion	First Time	Not Applicable	Not Applicable	The matter is under observation of the Management and is aware of the facts. However, till the date of preparation of this statement on impact of audit qualification, no further communication	Being the matter is under subjudice with SEBI, impact of audit qualification is not quantified.

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	amount demanded to SEBI Recovery Officer quoting adverse financial position of the Group. In the absence of any appropriate audit evidence including third party confirmation and in lieu of the aforesaid ongoing recovery proceedings and communications between SETPL and SEBI, we are unable to comment on the consequential impact(s), if any, on these financial results					has been received from SEBI.	
3.	Attention is invited to Note 6 of the Statement which describes that SRM Energy Tamilnadu Private Limited (SETPL), a wholly owned subsidiary, during the year has sold balance portion of land for a sale consideration of Rs. 14.86 lakhs incurring loss of Rs 10.16 lakhs. In the absence of sale agreement pertaining to the transfer of title and any other appropriate audit evidence, we are unable to comment on the sale proceeds and resultant loss and additional financial implications, if any, on these financial results.	Qualified Opinion	First Time	Not Applicable	Not Applicable	Lands sold off by WOS are in piecemeal, cordoned and scattered under remote villages falling under various Sub-Registrars. Regional language, remoteness adds woes to the management in selling such piecemeal lands and is entirely dependent upon local representatives for the successful land deals. There has been delay in arranging the executed land agreements but howsoever, the sale proceeds have been received through the banking channels. The management is making required efforts to arrange the deeds.	In the absence of sufficient audit evidence, impact of audit qualification is not quantified.

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4.	Attention is invited to Note 7 of the Statement which describes that SRM Energy Tamilnadu Private Limited (SETPL), a wholly owned subsidiary, in the previous year has made provision for doubtful capital advance of Rs 60.10 lakhs recoverable from a supplier. In the absence of any appropriate audit evidence including any legal proceedings initiated by the Group against the supplier, we are unable to comment on the appropriateness of the provision and additional financial implications, if any, on these financial results.	Qualified Opinion	First Time	Not Applicable	Not Applicable	The management is putting all efforts to locate the supplier through various means and channels and is hopeful to derive their whereabouts soon and the Company shall take appropriate actions accordingly .	In the absence of sufficient audit evidence, impact of audit qualification is not quantified.

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