

BOARD OF DIRECTORS

- Mr. Deep Kumar Reddy
- Mr. D. Subramanian
- Mr. S. Venkatesh
- Mr. S. Venkatesh
- Mr. S. Venkatesh
- Mr. S. Venkatesh
- Mr. S. Venkatesh
- Mr. S. Venkatesh



**SRM ENERGY LIMITED**  
 (Formerly Hitkari Fibres Limited)

**23rd Annual Report  
 2009-2010**

## NOTICE



NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of SRM Energy Limited will be held on Monday, May 17, 2010 at 11.30 A.M. at Kilachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai -400020 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 2010 together with Directors' Report and the Auditors' Report thereon.
2. To appoint a director in place of Mr. Deep Kumar Rastogi who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board  
For SRM Energy Limited

Sanjeevlata Samdani  
Company Secretary

Place: Mumbai  
Dated: April 08, 2010

## NOTICE



### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the meeting. A form of proxy is given at the end of the Annual Report.
3. 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 Saturday and holidays upto the date of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the company will remain closed from Monday, May 10, 2010 to Monday, May 17, 2010 (both days inclusive).
5. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers may be made available at the meeting.
6. 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.
7. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
8. Members who are holding Company's shares in dematerialised form are requested to bring details of their DP and client ID number for identification.
9. **CLAUSE 49 OF THE LISTING AGREEMENT**  
**Brief profile of directors seeking reappointment at the forthcoming Annual General Meeting (item no.2 of the Notice)**

#### Mr. Deep Kumar Rastogi

He is the Promoter Director of the Company. He is part of the Rastogi family which is into import and trading of various chemicals into India and manufacture of various industrial products for more than 100 years. He is a renowned industrialist having more than 40 years experience and set up various projects. He is on the Board of various Companies.

By Order of the Board  
For SRM Energy Limited

Sanjeevlata Samdani  
Company Secretary

Place: Mumbai

Dated: April 08, 2010

The Directors present herewith the Twenty Third Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2010.

**FINANCIAL RESULTS:**

(Rs. in Lacs)

Description	Year Ended 31-03-2010	Year Ended 31-03-2009
Gross Sales	-	55.37
Less: Excise Duty	-	-
Net Sales	-	55.37
Other Income	0.03	0.72
<b>TOTAL INCOME</b>	<b>0.03</b>	<b>56.09</b>
Profit / (Loss) before Depreciation and Interest	(3.65)	(24.27)
Depreciation (Net of Revaluation Reserve) & Amortisation	-	-
Interest	-	0.11
<b>Profit/(Loss) from Ordinary Activities before tax</b>	<b>(3.65)</b>	<b>(24.38)</b>
Tax Expenses	-	0.10
<b>Net Profit/(Loss) from Ordinary Activities after tax</b>	<b>(3.65)</b>	<b>(24.48)</b>
Extra-ordinary Items	-	-
<b>Net profit/(Loss) for the year</b>	<b>(3.65)</b>	<b>(24.48)</b>

**OPERATIONS:**

The Company is in the process of setting up Thermal Power Project of 1600 MW - 2000 MW capacity in Tamilnadu and there are no other operations at present. As such the related expenses incurred during the current period are considered as pre operative expenses pending allocation to the power project.

The promoters of the Company have infused an amount of Rs.3896.55 lacs upto 31st March 2010 in the form of unsecured loans, which will not be withdrawn from the Company till the required Equity is in place.

The Company is in the process of acquiring the required land and is in the process of finalizing the EPC contract. Depending on the unit size finalized, the capacity may be of 1800 MW or 1980 MW (3X600 or 3X660 MW). The Company has received approval from the Airports Authority for Chimney height clearance and has also received in principle approval from Tamilnadu Maritime Board for drawal of sea water.

The Promoters of the Company have teamed up with Al Kharafi Group of Kuwait and Al Mal Investment KSC, one of its investment arms for a joint investment in the Project. Al Kharafi group have agreed to become the co-sponsor of the project. The Al-Kharafi family is one of Kuwait's principal merchant dynasties in the Middle East with the group being founded over 100 years ago. The group presently has interests in 34 countries covering various sectors such as Contracting, Investment, Industry and Manufacturing, Trading, Tourism and Aviation etc.

The Promoters and the Company have mandated one of the leading international banks and the investment arm of the Kharafi group as placement agents for private placement of Equity, who have already commenced the placement process. The Company plans to appoint one of the leading domestic banks / institutions for tying up the debt requirements of the project.

**DIVIDEND:**

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

**DIRECTORS:**

Mr. Deep Kumar Rastogi retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Vini Ahuja who retires by rotation as required under the Companies Act 1956, though eligible to be reappointed, has not offered himself for reappointment and accordingly, retires at the ensuing Annual General Meeting. Your directors do not propose to fill the vacancy caused by the retirement of Mr. Vini Ahuja. Your directors record their appreciation for the services and support rendered by Mr. Vini Ahuja during his tenure on the Board of the Company.

**FIXED DEPOSITS:**

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

**THE CORPORATE GOVERNANCE CODE:**

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

**DEMATERIALIZATION OF SHARES:**

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

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on a going concern basis.

**CODE OF CONDUCT:**

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

**AUDITORS**

M/s Haribhakti & Company, Chartered Accountants, Mumbai, the Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that, their appointment, if made, by the Company for the year 2010-11 will be within the limit prescribed under Section 224 (1-B) of the Companies Act, 1956. The Board of Directors recommends their appointment.

**AUDITORS' OBSERVATIONS:**

The Company's present assets are adequate to meet its liabilities. The management is of the strong view that once the power project, which is being set up by the Company becomes operationalized, the Company would turnaround and the net worth would also improve. The promoters of the company have also undertaken to infuse the required funds to pay the outstanding TDS amount of Rs.21.38 lacs.

The Company is in the process of raising resources from promoters and investors towards Equity requirements of the project and expects the Net worth to improve substantially in the next financial year.

**PARTICULARS UNDER SECTION 217**

Statement of particulars of employees under Section 217(2A) of the Companies Act, 1956 is annexed to this report. Statement of particulars under Section 217(1)(e) regarding Conservation of Energy and Technology Absorption are presently not applicable to the Company. Details of foreign exchange outgo are set out in note No. B- 5 of schedule 11 to the Accounts. There have been no Foreign Exchange earnings during the current year and previous year.

**ACKNOWLEDGEMENTS:**

The Directors acknowledge with gratitude and place on record their appreciation of the support and co-operation received from Company's Banks, vendors and employees.

For and on behalf of the Board of Directors

**D Sundararajan**  
Director

Place: Mumbai  
Dated: April 08, 2010

**ANNEXURE TO THE DIRECTORS' REPORT**

**PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

Name and Designation	Remuneration (Gross)	Qualification and experience	Date of Commencement of employment	Last employment held
Ravishankar, Chief People Officer	1,970,414 (*)	MBA with Personnel Management, 17 years	December 12, 2008	Adani Power Limited

(\*) Part of the year (up to 16-09-2009)

## CERTIFICATE



To,  
The Members  
SRM Energy Limited,  
Mumbai

We have examined the compliance of conditions of corporate governance by SRM Energy Limited for the year ended March 31, 2010 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, 2010 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.

For Pankaj & Associates  
Company Secretaries

Place: Mumbai  
Dated: April 08, 2010

Pankaj S. Desai  
Sole Proprietor

## ED/CEO CERTIFICATION

This is to certify to the Board that :

- a) The Financial Statements and the Cash Flow Statement for the period have been reviewed and to the best of my knowledge and belief are true and fair view of the company's affairs.
- b) To the best of my knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.
- c) I accept the responsibility of establishing and maintaining internal controls for the financial report and that I have evaluated the effectiveness, disclosing the deficiencies to the Auditors and the Audit Committee and take steps or proposed to take steps to rectify these deficiencies.
- d) I indicated to the Auditors and the Audit Committee :
  - i) Significant changes in the Internal Control Process during the period.
  - ii) Significant changes in Accounting policies
  - iii) Instances of significant fraud of which I have become aware.

Place: Mumbai  
Dated: April 08, 2010

D. Sundararajan  
Director

**Business Review:**

India is one of the fastest growing economies globally and has grown at an average rate of around 8.2% during the last five years. During the 11th five year plan (2007-12) Indian aims at sustainable GDP growth rate of around 9%. The power sector has been recognized by the Govt. of India as a key infrastructure to attain this growth rate and under eleventh plan, out of the total investment in infrastructure the power sector is expected to attract nearly one-third.

The Indian power sector has grown significantly in size and capacity since India's independence in 1947. Generation capacity, which was only 1,362 MW at the time of independence, has increased to around 157200 MW as on February 28, 2010. Despite exponential growth in capacity, per capita annual consumption of electricity in India remains one of the lowest in the world at approximately 704 kWh / capita during FY 2007-08, as compared to the estimated per capita annual consumption of over 2,040 kWh in China and nearly 13,515 kWh in the USA and world average of 2750 kWh.

The Government of India has set a vision of achieving 'Power for All' by 2012, when the peak power demand and total energy demand is expected to reach around 152,700 MW and 968 Billion units respectively (as per 17th Electric Power Survey ('EPS') by Central Electricity Authority ('CEA')). By the year 2016-17, peak demand is expected to touch 218,209 MW and energy requirement 1,392 Billion Units. The Country faces a peak demand-supply gap of more than 12.6 percent on an overall basis.

In the recent past, the Indian power sector has been growing at a pace much below the required levels. During the period April 2009 to February 2010, against targeted capacity addition of around 14500 MW (out of which Thermal capacity was targeted at around 13000 MW), the capacity additions have been only around 7500 MW (out of which thermal plants contributed about 7200 MW).

However, the Govt. of India has taken significant measures such as restructuring of the state electricity boards, regulatory policy intervention etc. The Govt. has also liberalized policies relating to generation, transmission and distribution lines. With the initiative taken by the Govt. to restructure the power sector the industry is expecting major capacity additions to come from the Government of India as well as increasingly from the private sector. Whilst the private sector has historically accounted for a small share of total capacity (in particular with respect to coal-powered thermal energy), this trend is expected to be reversed over the next decade as historic limitations and regulatory burdens are being removed.

The power requirement of Southern India, consisting of the states of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Union Territory of Puducherry, is met by the power generated by state utilities, Independent Power Producers ('IPPs') and the state's share in the power generated by the central sector power stations. The total installed capacity in the Southern region as on September 2009 was around 41,600 MW with a peak deficit of 9.5% and normative deficit of 6.2% during the period April 2009 to September 2009.

The total capacity addition during the XIth Five Year Plan is expected to be around 78,700 MW out of which thermal based power is expected to contribute around 59,700 MW. Under various growth scenarios, the capacity addition required during 12th plan would be in the range of 70,800 - 107,500 MW, based on normative parameters. The 11th Plan Working Group recommends a capacity addition of 82,200 MW for the 12th Plan based on the scenario of 9 percent GDP growth rate and an elasticity of 0.8 percent.



## Recent Developments and Opportunities:

The National Tariff policy deals with various parameters with respect to fixation of tariffs, like providing adequate return on investment to the power generator and ensuring reasonable user charges for the customers. The policy moots the procurement of power separately for base and peak load requirements and introduction of differential tariffs for peak and off-peak hours, for better load management. The National Electricity Policy and the National Tariff Policy have clearly defined the timetable for implementing further reforms to boost the development in the sector.

**Trading opportunities :** With the impetus given to power trading under the Electricity Act, the quantum of power traded is going up significantly and expected to show an exponential growth in the coming years. Trading activity is helping the electricity market in many ways. Through trading short term demand supply mismatch can be bridged at market determined prices. Also, IPP can sell their power as per prevailing market prices instead of pre-determined prices for long term contracts, thereby taking advantage of short term demand supply mismatches. Consequently, trading activity has increased attractiveness of the power sector to private players. With the evolution of the trading environment, both the volume and sale price of traded electricity has increased over the years. In 2007, nearly 48% of the electricity traded was at INR 4 - 5 per kWh, whereas in the period April to June 2008, 99% of total traded electricity was traded at INR 6.50 - 8.50 per kWh. For the year 2008 / 2009, the weighted average price of electricity traded increased further to INR 7.31 (Source: CERC).

## Key Risks:

While Regulatory and Political issues always pose a risk in a developing country like ours, environmental issues are assuming greater importance due to increased awareness about global warming. Each country is forced to come out with significant reduction in emission levels.

## Project at Cuddalore:

The Company is in the process of finalizing the EPC contract. Depending on the unit size finalized, the capacity may be of 1800 MW or 1980 MW (3X600 or 3X660 MW).

The promoters of the company have teamed up with Al Kharafi Group of Kuwait and Al Mal Investment KSC, one of its investment arms for a joint investment in the Project. Al Kharafi group have agreed to become the co-sponsor of the project. The Al-Kharafi family is one of Kuwait's principal merchant dynasties in the Middle East with the group being founded over 100 years ago. The group presently has interests in 34 countries covering various sectors such as Contracting, Investment, Industry and Manufacturing, Trading, Tourism and Aviation etc.

The promoters and the company have mandated one of the leading international banks and the investment arm of the Kharafi group as placement agents for private placement of Equity, who have already commenced the placement process. The company plans to appoint one of the leading domestic banks / institutions for tying up the debt requirements of the project.

The company has received approval from the Airports Authority for Chimney height clearance and has also received in principle approval from Tamilnadu Maritime Board for drawal of sea water. The company has also submitted applications to the Railway and Road Authorities for crossing of the Railway tracks and Highways.

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

### 1. Company's Philosophy on Code of Governance

Your Company believes that good corporate governance practice ensures the attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and the lenders.

### 2. Board of directors

The Board of Directors consists of 5 directors.

Composition and category of Directors is as follows:

Name	Position
Mr. D. Sundararajan	Executive Professional Director
Mr. Srinivasan Parthasarathy	Non-Executive Independent Director
Mr. Vini Ahuja	Non-Executive Independent Director
Mr. Bantval Srinivasa Rao	Non-Executive Independent Director
Mr. Deep Kumar Rastogi	Promoter Director

### 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. Bantval Srinivasa Rao	4	Yes	1	1 (as Chairman)
Mr. D. Sundararajan	4	Yes	Nil	Nil
Mr. Vini Ahuja	2	Yes	2	Nil
Mr. Srinivasan Parthasarathy	2	Yes	Nil	Nil
Mr. Deep Kumar Rastogi	1	No	1	2 (including 1 as Chairman)

#The Directorship 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, Membership / Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committee of all Public Limited Companies (excluding SRM Energy Limited) have been considered.

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

Four Board Meetings were held during the year. The dates on which the meetings were held are as follows: April 29, 2009, July 29, 2009, October 20, 2009 and January 22, 2010.

### 3. Board Committees

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

**A. Audit Committee:**

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

Mr. B.S.Rao	-	Chairman
Mr. D Sundararajan	-	Member
Mr. P.Srinivasan	-	Member

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

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

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

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

**Meetings:** During the year, the Committee has met 4 times. The dates on which the meetings were held are as follows: April 29, 2009, July 29, 2009, October 20, 2009 and January 22, 2010.

**B. Shareholders' and investors' grievance committee**

**Composition:** The Board of the Company has constituted a Shareholders'/Investors' Grievance Committee, comprising the following:-

Mr. B.S.Rao	-	Chairman
Mr. D Sundararajan	-	Member
Mr. P.Srinivasan	-	Member

**Terms of Reference:** The Committee, inter-alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. This committee also deals

the matter related to share transfer. The Company has resolved all the complaints received from the shareholders during the year.

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

#### C. Remuneration Committee

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

Mr. B.S.Rao	-	Chairman
Mr. D. Sundararajan	-	Member
Mr. P.Srinivasan	-	Member

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

However, in view of no business activity in the Company, no whole time director is drawing 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 31st March 2010, to Whole Time Directors- Rs. Nil.

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

#### D. Employees Stock Compensation Committee (ESCC)

**Composition:** The Board has constituted the Employee Stock Compensation Committee comprising the following.

Mr. B.S.Rao	-	Chairman
Mr. Deep Rastogi	-	Member
Mr. Vini Ahuja	-	Member

#### Terms of Reference:

The Committee was formed inter alia to formulate detailed terms and conditions of the Employees Stock Option Scheme including:

- i. The quantum of options to be granted under Employees Stock Option Scheme per employee and in aggregate;
- ii. The conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- iii. The exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period;
- iv. The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- v. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- vi. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issue, bonus issue, merger, sale of division and others;
- vii. The grant, vest and exercise of option in case of employees who are on long leave; and
- viii. The procedure for cashless exercise of option, if any.

#### 4. General Body Meetings

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

YEAR	AGM	LOCATION	DATE	TIME
2006-2007	AGM	Hitkari House, Ground Floor, 284, Sahid Bhagat Singh Marg, Fort, Mumbai-400001.	27.09.2007	11:30 a.m.
2007-2008	EGM	Kilachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai -400020	11.08.2008	11:30 a.m.
2007-2008	AGM	Kilachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai -400020	12.01.2009	12:00 Noon
2008-2009	AGM	Kilachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai -400020	23.09.2009	11:30 a.m.

- b. **Details of Special Resolution (s) passed at General Meeting during last three years Annual General Meetings ( AGM )**  
One Special Resolution was passed at 22 Annual General Meeting held on 23.09.2009 under section 17 and all other applicable provisions of the Companies Act, 1956.
- c. **Extraordinary General Meetings (EGM)**  
No EGM was held during the last financial year.
- d. **Details of Resolution(s) passed through postal ballot**  
No Special Resolution was passed through postal ballot during the last financial year.
5. a) **Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**  
None of the transactions with any of the related parties were in conflict with the interest of the Company.
- b) **Details of non-compliance by the Company, penalties, 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.**  
None
6. **Means of communication**  
Quarterly results: The quarterly results are published in Free Press Journal and NavShakti, Mumbai.
7. **General Shareholder Information**
- i. **Annual General Meeting (For Financial Year 2009-2010)**  
Date and Time : May 17, 2010 at 11.30 a.m.  
Venue : Kilachand Hall IMC Building, IMC Marg,  
Churchgate, Mumbai -400020
- ii. **Financial Calendar (Tentative and subject to change)**
- |   |                |
|---|----------------|
| Financial Results for the Quarter ending June 30, 2010      | July 2010      |
| Financial Results for the Quarter ending September 30, 2010 | October 2010   |
| Financial Results for the Quarter ending December 31, 2010  | January 2011   |
| Financial Results for the Quarter ending March 31, 2011     | June 2011      |
| Annual General Meeting                                      | September 2011 |
- iii. **Books closure date**  
Monday, May 10, 2010 to  
Monday, May 17, 2010 (Both days inclusive).  
Mumbai
- iv. **Listing of Equity Shares**  
BSE Code-523222
- v. (a) **Stock Code:**  
ISIN No. INE 173J01018
- (b) **Demat ISIN Numbers**  
In NSDL/CDSL for Equity Shares:

## vi. Stock Market Data:

Months	Bombay Stock Exchange (BSE) (In Rs.)		Volume (No. of Shares)
	Month's High Price	Month's Low Price	
April 2009	12.60	11.30	9100
May 2009	12.44	10.60	9600
June 2009	24.73	13.00	24100
July 2009	29.95	18.40	31000
August 2009	26.90	19.20	27600
September 2009	29.80	22.10	35500
October 2009	26.50	18.60	66300
November 2009	19.00	17.00	29300
December 2009	22.70	16.65	12400
January 2010	22.80	17.65	24200
February 2010	20.00	16.85	23200
March 2010	17.65	15.65	8400

Source: www.bseindia.com

- vii. 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

## viii. Share Transfer System:

Presently, the share transfers which are received in Physical form are processed and the share certificates are returned within a period of 15 to 20 days from the date of receipt, subject to the documents being valid and complete in all respects.

## ix. Distribution of shareholding as on March 31, 2010:

Categories	No. of Shares	%
Non Resident Indians/OCB	32000	0.35
Financial Institutions	0	0.00
Mutual Funds/UTI	305700	3.37
Bodies Corporate	6607099	72.93
Resident Individuals	2115201	23.35
<b>Total</b>	<b>9060000</b>	<b>100.00</b>

- x. (i) Investors' Correspondence: For shares held in physical form For shares held in Demat form  
(For transfer/ dematerialization of shares and any other query related to the shares of the company) Datamatics Financial Services Ltd, Plot No.B-5, Part B Cross Lane, MIDC, Andheri-East, Mumbai-400093 Phone:022-66712151-2156 Fax:022-66712161 To the depository Participant
- (ii) Any Query on Annual Report SRM Energy Limited Regd. & Admin Office: 36/37, 228, Mittal Chambers, Nariman Point, Mumbai - 400 021

To  
The Members of  
SRM ENERGY LIMITED

1. We have audited the attached Balance Sheet of SRM ENERGY LIMITED ('the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to Note B-12 of Notes to accounts in the financial statements with regard to the preparation of the financial statements on a going concern assumption. The Company incurred a net loss of Rs.3.65 lacs during the year ended March 31, 2010 and, as of that date, the Company's net worth has been substantially eroded. The company's ability to continue as a going concern is dependent on the factors mentioned in the note therein and no adjustment have been made in the accompanying financial statements.
5. Further to our comments in the paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
    - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For Haribhakti & Co.  
FRN No.103523W  
Chartered Accountants

Place: MUMBAI  
Date: 8th April, 2010

SARAH GEORGE  
Partner  
Membership No.45255

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of SRM ENERGY LIMITED on the financial statements for the year ended March 31, 2010]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us all the fixed assets of the company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, there is no substantial disposal of fixed assets during the year.
- (ii) The company in the project stage and hence the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- (b) The Company had taken interest free loan from two companies and a party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.4,008.68 Lacs and the year-end balance of loans taken from such parties was Rs.3,896.55 Lacs.
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the loans taken from holding company there is no stipulation as to its repayment.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of this area. During the course of our audit, we have not observed any continuing failure to cover major weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in to the register maintained under section 301 have been so entered.



- (b) None of the transactions made in pursuance of such contracts or arrangements exceed the value of Rupees five lakh in respect of any one such party in the financial year.
- (vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for the products of the company.
- (ix) (a) *Undisputed statutory dues of income tax has not been regularly deposited with the appropriate authorities and there have been serious delays.* The provisions relating to employees state insurance and provident fund are not applicable to the company. Further, since the Central government has till date not prescribed the amount of cess payable under 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, undisputed dues in respect of income tax which are outstanding at the year end for a period of more than six months from the date they become payable are as follows.

Name of statute	Nature of dues	Amount (Rs.)	Period to which amount relates	Due Date	Date of payment
Income Tax Act, 1961	TDS	21.38 lacs	A.Y.2010-11	Various	Various

- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess on account of any dispute.
- (x) *The Company has accumulated losses more than fifty percent of its net worth at the end of the financial year. The company has incurred cash losses in the current year and the immediately preceding financial year.*
- (xi) The Company has not borrowed any amount during the year from banks, financial institution or debenture holders and hence the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xii) According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) *According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the company has used funds raised on short term basis for long term investment. The company has used working capital amounting to Rs. 19.73 lacs for capital expenditure towards the project.*
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money through public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Haribhakti & Co.**  
FRN No.103523W  
Chartered Accountants

**SARAH GEORGE**  
Partner  
Membership No.45255

Place: MUMBAI  
Date: 8th April, 2010

**BALANCE SHEET**  
AS AT 31ST MARCH, 2010



Schedule	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)	
<b>Sources of Funds</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	90,600,000	90,600,000
<b>Loan Funds</b>			
Secured Loans			
Unsecured Loans	2	389,654,851	338,359,501
<b>TOTAL</b>		<u>480,254,851</u>	<u>428,959,501</u>
<b>Application of Funds</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	106,310,546	31,246,776
Less : Accumulated Depreciation		216,360	12,105,692
Net Block		106,094,186	19,141,084
Capital Work-in-Progress		317,520,113	347,597,755
Investments	4	423,614,299	366,738,839
			400,000
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balance	5	142,784	477,690
Loans & Advances		2,095,231	6,589,954
		2,238,015	7,067,644
Less:Current Liabilities & Provision	6	13,431,141	12,715,168
Net Current Assets		(11,193,126)	(5,647,524)
Profit and Loss Account		67,833,678	67,468,186
<b>TOTAL</b>		<u>480,254,851</u>	<u>428,959,501</u>
Significant Accounting Policies and Notes on accounts	11		

Schedule annexed form an integral part of the Accounts.

As per our attached report of even date

For and on behalf of the Board of Directors

For Haribhakti & Co.  
Chartered Accountants

S. R. Dakhera  
Head - Accounts

D. Sundararajan  
Director

P. Srinivasan  
Director

Sarah George  
Partner  
M.N. 45255

Sanjeevlata Samdani  
Company Secretary

Bantval Srinivasa Rao  
Director

Place : Mumbai  
Date : 08-04-2010

**PROFIT AND LOSS ACCOUNT**  
For The Year Ended 31st March, 2010



	Schedule	For The Year Ended 31.03.2010 Amount (Rs.)	For The Year Ended 31.03.2009 Amount (Rs.)
<b>INCOME</b>			
Gross Sales		-	5,536,517
Less : Excise Duty on Sales		-	-
Net Sales		-	5,536,517
Other Income	7	2,629	72,215
Increase / (Decrease) in Stock	8	-	(2,134,639)
<b>TOTAL</b>		<b>2,629</b>	<b>3,474,093</b>
<b>EXPENDITURE</b>			
Purchases		-	3,158,866
Manufacturing and Other Expenses	9	368,121	2,268,062
Interest and Finance Charges	10	-	10,943
Preliminary Expenses Written off		-	474,688
<b>TOTAL</b>		<b>368,121</b>	<b>5,912,559</b>
Net (Loss)/Profit before Extra-ordinary Items and Tax		(365,492)	(2,438,466)
Extra-ordinary Items		-	-
Net (Loss)/Profit before Tax		(365,492)	(2,438,466)
Provision for Taxation		-	-
Current Tax		-	-
Fringe Benefit Tax		-	(10,000)
<b>Net Loss for the year</b>		<b>(365,492)</b>	<b>(2,448,466)</b>
Add / (Less) : Short Provision of Fringe Benefit Tax for earlier years		-	(325,641)
Balance		(365,492)	(2,774,107)
Add / (Less) Balance brought forward		(67,468,186)	(64,694,079)
Balance Carried to Balance Sheet		<b>(67,833,678)</b>	<b>(67,468,186)</b>
Earning Per Share (Basic & Diluted) (before Extra-ordinary Items)		(0.04)	(0.27)
Earning Per Share (Basic & Diluted) (after Extra-ordinary Items)		(0.04)	(0.27)
No. of Shares used for Calculation (Face value of Rs. 10/- each)		9,060,000	9,060,000
Significant Accounting Policies and Notes on accounts	11		

Schedule annexed form an integral part of the Accounts.

As per our attached report of even date

For and on behalf of the Board of Directors

For Haribhakti & Co.  
Chartered Accountants

S. R. Dakhera  
Head - Accounts

D. Sundararajan  
Director

P. Srinivasan  
Director

Sarah George  
Partner  
M.N. 45255

Sanjeevlata Samdani  
Company Secretary

Bantval Srinivasa Rao  
Director

Place : Mumbai  
Date : 08-04-2010

**CASH FLOW STATEMENT**  
FOR THE YEAR ENDED 31ST MARCH, 2010



PARTICULARS	For The Year Ended 31.03.2010 Amount (Rs.)	For The Year Ended 31.03.2009 Amount (Rs.)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS) BEFORE TAX AND EXTRA ORDINARY ITEMS	(365,492)	(2,438,466)
ADJUSTMENTS FOR		
Preliminary Expenses Written off	-	474,688
Interest and Finance Charges	-	10,943
Interest earned	-	(39,700)
Sundry Creditors written back	-	(32,515)
<b>OPERATING (LOSS) / PROFIT BEFORE WORKING</b>	<b>(365,492)</b>	<b>(2,025,050)</b>
CAPITAL CHANGES		
ADJUSTMENT FOR		
Trade and other receivable	19,690	(5,172,110)
Inventories	-	2,134,639
Trade payable	751,926	5,417,208
<b>CASH (OUTFLOW) / GENERATED FROM OPERATIONS</b>	<b>406,124</b>	<b>354,687</b>
Income Tax / Fringe Benefit Tax	(346,500)	(5,270,556)
<b>NET CASH (OUTFLOW) / GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>59,624</b>	<b>(4,915,869)</b>
<b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Investments in and Advances to Subsidiaries	461,420	(461,420)
Purchase of Fixed Assets including CWIP	(39,819,966)	(289,763,402)
Sale of Fixed Assets	(11,938,000)	3,100
Interest received	-	23,490
<b>NET CASH USED IN INVESTMENT ACTIVITIES (B)</b>	<b>(51,296,546)</b>	<b>(290,198,232)</b>
<b>(C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Increase in Share Capital	-	-
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	-	-
Proceeds from /Repayment of Unsecured Loans	51,295,350	290,759,276
Proceeds from Bank Borrowings	-	-
Interest and Finance Charges Paid	(393,334)	(10,943)
<b>NET CASH FROM FINANCIAL ACTIVITIES (C)</b>	<b>50,902,016</b>	<b>290,748,333</b>
<b>(D) NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(334,906)</b>	<b>(4,365,768)</b>
<b>(E) CASH &amp; CASH EQUIVALENTS - OPENING BALANCE</b>	<b>477,690</b>	<b>4,843,458</b>
<b>(F) CASH &amp; CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>142,784</b>	<b>477,690</b>

As per our attached report of even date

For and on behalf of the Board of Directors

For Haribhakti & Co.  
Chartered Accountants

S. R. Dakhara  
Head - Accounts

D. Sundararajan  
Director

P. Srinivasan  
Director

Sarah George  
Partner  
M.N. 45255

Sanjeevlata Samdani  
Company Secretary

Bantval Srinivasa Rao  
Director

Place : Mumbai  
Date : 08-04-2010

## SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
11,300,000 (Previous year 11,300,000) Equity Shares of Rs. 10/- each	113,000,000	113,000,000
	<u>113,000,000</u>	<u>113,000,000</u>
<b>Issued, subscribed and paid up</b>		
9,060,000 (Previous year 9,060,000) Equity Shares of Rs. 10 each, fully paid up	90,600,000	90,600,000
	<u>90,600,000</u>	<u>90,600,000</u>

## Notes:

- 6,450,000 (Previous year 6,450,000) Equity Shares are held by the Holding Company - Spice Energy Pvt. Ltd.
- 6,000,000 (Previous year 6,000,000) Equity Shares have been issued for consideration other than cash pursuant to Scheme of Amalgamation

**SCHEDULE 2****UNSECURED LOANS****Long Term**

-From Holding Company

389,654,851 334,786,593

**Short Term**

-From Other Companies

- 3,572,908

389,654,851338,359,501**SCHEDULE 3****FIXED ASSETS (At Cost)**

Amount (Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As on 01.04.2009 (Rs.)	Additions During the Year (Rs.)	Sales / Discarded During the Year (Rs.)	As on 31.03.2010 (Rs.)	Up to 31.03.2009 (Rs.)	Provided During the Year (Rs.)	Adjustment/ Sale (Rs.)	Up to 31.03.2010 (Rs.)	As on 31.03.2010 (Rs.)	As on 31.03.2009 (Rs.)
Goodwill	30,000,000	-	-	30,000,000	12,000,000	-	12,000,000	-	30,000,000	18,000,000
Land	-	75,187,027	-	75,187,027	-	-	-	-	75,187,027	-
Furniture & Fixtures	258,664	5,650	-	264,314	14,174	15,857	-	30,031	234,283	244,490
Office & Factory Equipments	366,322	48,499	81,406	333,415	11,300	19,851	5,326	25,825	307,590	355,022
Computers	621,790	-	96,000	525,790	80,218	98,832	18,546	160,504	365,286	541,572
<b>TOTAL</b>	<b>31,246,776</b>	<b>75,241,176</b>	<b>177,406</b>	<b>106,310,546</b>	<b>12,105,892</b>	<b>134,540</b>	<b>12,023,872</b>	<b>216,360</b>	<b>106,094,186</b>	<b>19,141,084</b>
Previous Year	30,311,370	945,706	10,300	31,246,776	6,003,014	6,103,057	379	12,105,692	19,141,084	24,308,356
Capital Work-in-Progress including advances									317,520,113	347,597,755

## Notes:

- Capital Work-in-Progress includes:
  - Rs. 177,812,973 (Previous Year Rs. 253,000,000) on account of capital advance for Land
  - Rs. 139,707,140 (Previous Year Rs. 94,591,881) on account of Pre-operative expenses pending allocation (refer note no. B-1 of schedule 11)
- Depreciation and Amortisation for the period 134,540  
Less: Transferred to Preoperative expenses pending allocation (134,540)  
Depreciation & Amortisation as per Profit and Loss Account -
- Goodwill amortised in previous year is now restated, as such Rs. 12,000,000 amortised & charged to preoperative expenses in the previous year is now reversed.

# SCHEDULES



## SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	As at 31.03.2010 Amount (Rs.)	As at 31.03.2009 Amount (Rs.)
<b>SCHEDULE 4</b>		
<b>INVESTMENTS ( At Cost )</b>		
Long Term		
Non trade ( Unquoted )		
<b>-Investment in Subsidiary Companies</b>		
Nil (P.Y.10,000) Equity Shares in Spice Cement Pvt Ltd of Rs.10 each fully paid up	-	100,000
Nil (P.Y.10,000) Equity Shares in Spice Fuel Ventures Pvt Ltd of Rs. 10 each fully paid up	-	100,000
Nil (P.Y.10,000) Equity Shares in SRM Energy Tamilnadu Pvt. Ltd. (earlier known as Spice Power Trading Pvt Ltd.) of Rs. 10 each fully paid up	-	100,000
Nil (P.Y.10,000) Equity Shares in Spice Power Transmission Pvt. Ltd. of Rs. 10 each fully paid up	-	100,000
	<u>-</u>	<u>400,000</u>
<b>SCHEDULE 5</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
<b>-CASH &amp; BANK BALANCES</b>		
Cash in Hand	11,905	64,787
Balances with Scheduled Banks : - In Current Account - in Fixed Deposit Account	130,879	31,857 381,046
	<u>142,784</u>	<u>477,690</u>
<b>LOANS AND ADVANCES</b>		
(unsecured considered good)		
Advances to Subsidiary Companies	-	61,420
Advances recoverable in cash or in kind or for value to be received	235,473	495,534
Advance Income Tax including TDS (net of Provision)	34,111	-
Security Deposit	1,825,647	6,033,000
	<u>2,095,231</u>	<u>6,589,954</u>
	<u>2,238,015</u>	<u>7,067,644</u>
<b>SCHEDULE 6</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
<b>Sundry Creditors</b>		
(refer note no. B-10 of Schedule 11)		
For Expenses	7,332,013	8,211,381
Other Liabilities	5,482,545	3,782,792
	<u>12,814,558</u>	<u>11,994,173</u>
<b>PROVISIONS</b>		
Provision for Taxation (net of advances)	-	273,507
Provision for Gratuity	229,979	164,905
Provision for Leave Encashment	386,604	282,583
	<u>13,431,141</u>	<u>12,715,168</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	For The Year Ended 31.03.2010 Amount (Rs.)	For The Year Ended 31.03.2009 Amount (Rs.)
<b>SCHEDULE 7</b>		
<b>OTHER INCOME</b>		39,700
Interest	569	
(Income tax deducted at source Nil (Previous year Rs.12540/-) Liability No Longer Required Written Back	2,060	32,515
	<u>2,629</u>	<u>72,215</u>
<b>SCHEDULE 8</b>		
<b>INCREASE/(DECREASE) IN STOCKS</b>		
<b>CLOSING STOCK</b>		
Finished Goods	-	-
Goods In Transit	-	-
<b>Less: OPENING STOCK</b>		
Finished Goods	-	1,381,865
Goods In Transit	-	<u>752,774</u>
	<u>-</u>	2,134,639
	<u>-</u>	<u>(2,134,639)</u>
<b>SCHEDULE 9</b>		
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
Advertisement Expenses	-	99,056
Rates and Taxes	-	2,500
Postage, Telephone & Telex	-	46,810
Travelling and Conveyance	-	82,584
Printing and Stationery	-	92,578
Legal and Professional Charges	7,180	609,145
Fees paid to Others	54,809	356,194
Secretarial Service Charges	211,377	398,146
Auditors' Remuneration	93,755	400,479
Miscellaneous Expenses	1,000	180,570
	<u>368,121</u>	<u>2,268,062</u>
<b>SCHEDULE 10</b>		
<b>INTEREST AND FINANCE CHARGES</b>		
Bank Charges & Commission	-	10,943
	<u>-</u>	<u>10,943</u>



## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT AS AT 31st MARCH, 2010

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :

## A. SIGNIFICANT ACCOUNTING POLICIES

## 1. Basis of Preparation

- (i) The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provisions for impairment is made and revaluation is carried out. The accounting policy have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.
- (ii) The Company follows the mercantile system of accounting in general and recognizes income and expenditure on accrual basis except as otherwise stated.

## 2. 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.

## 3. Fixed Assets

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

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

- (ii) Expenditure incurred for project is accounted under the head Preoperative Expenditure and shall be capitalized on completion of the project.
- (iii) Advances paid towards acquisition of the fixed assets which have not been installed or put to use and the cost of the assets not put to use before the year end are disclosed under capital work-in-progress.
- (iv) 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 recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount

is the greater of the assets net selling price and 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.

**4. Depreciation**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

**5. Intangible assets**

**Goodwill**

Goodwill will be amortized over a period of five years after commencement of commercial production of the power project.

**6. Inventories**

Inventories are valued by following FIFO Method as under :

- (i) Raw Material, Packing Material, Stores & Spares At cost
- (ii) Finished Goods, Goods-in-Transit, Trading Stock & Waste At the lower of cost or net realisable value

**7. Investments**

Long term investments are stated at cost less provision for diminution in value, which is other than temporary. Current investments are carried at lower of carrying value or fair value.

**8. Retirement Benefits**

Provision for Gratuity and Leave encashment is made on the basis of Actuarial Valuations done by Independent Actuaries as at year end.

**9. Revenue Recognition**

**Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty, Sales Tax and VAT deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**10. Retirement and other employee benefits**

- (i) Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (ii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (iii) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

- (iv) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately.

**11. Foreign Currency Transactions**

The transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in Profit and Loss Account. Assets and liabilities denominated in foreign currencies are stated at the exchange rate prevailing on the date of the Balance Sheet.

**12. Taxes on Income**

Income tax is accounted in accordance with AS-22 'Accounting for taxes on income', issued by The Institute of Chartered Accountants of India (ICAI), which includes current taxes and deferred taxes. Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same. Current tax is determined as the amount of tax payable in respect of taxable income for the year.

**13. Borrowing Cost**

Interest incurred on loan used to fund the construction of the project is being capitalised as part of its cost. The company does not incur any interest costs that qualify for capitalisation under AS 16 'Borrowing Costs'.

**14. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognised as an expense, as applicable, over the lease period.

**15. Earning Per share**

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

**16. Provisions, Contingent Liabilities and Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if any material are disclosed by way of notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

**B. NOTES ON ACCOUNTS**

1. The company is in the process of setting up the Thermal Power Project of 1600 MW - 2000 MW capacities in 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 31.03.2010	As on 31.03.2009
Opening Balance	94,591,881	13,320,182
<b>Add: Expenditure incurred during the current year</b>		
Salaries and Perquisites(*)	17,494,682	19,858,903
Staff Welfare Exp.	18,902	34,722
Professional Fees	22,358,843	23,525,424
Travelling & Conveyance Expenses	2,603,925	7,208,716
Telephone / Internet Expenses	979,078	477,031
Auditors' Remuneration	220,600	-
Advertisement	65,071	10,392,830
Rates and Taxes	-	3,338
Rent and Compensation (Including rent deposit written off)	9,807,053	8,545,339
Vehicle Running Expenses	462,577	657,444
Repairs and Maintenance	344,390	1,133,904
Electricity Expenses	329,567	382,715
Printing & Stationery	325,171	558,342
Secreterial Expenses	-	-
Courier/Postage	84,807	49,303
Miscellaneous Expenses	1,227,921	2,575,496
Loss/Discard in Sale of Assets	91,534	6,821
Interest and Bank Charges	669,768	33,967
Depreciation & Amortisation	(11,865,460)	6,103,057
Total	45,218,429	81,547,352
Less : Interest Income on Deposit with Bank	-	-
Less : Other Income	103,170	625,653
Balance	45,115,259	80,921,699
Add : Fringe Benefit Tax	-	350,000
<b>Net Expenses for the year</b>	<b>45,115,259</b>	<b>81,271,699</b>
<b>Closing Balance</b>	<b>139,707,140</b>	<b>94,591,881</b>

(\*) Includes Directors remuneration of -NIL- (Previous year Rs. 6,943,346/-) paid by the erstwhile SRM Energy Pvt. Ltd.

**2. Contingent Liabilities:**

- Arrears of preference dividend for the years from 1989-90 to 1996-97 amounting to Rs. 2,400,000/- (previous year Rs. 2,400,000/-).
- 3. During the year 2007-08, the Company has hived off its Non-woven Fabric Business comprising of manufacturing and marketing activities of the Company in respect of manufacture of Needle punched, non-woven fabrics along with all the assets and liabilities by way of a Slump Sale on a going concern basis to Hitkari Hi Tech Filters Private Ltd.(now known as Hitkari Fibres Pvt. Ltd.) as per Slump Sale Agreement dated 18-03-2008. Accordingly, all the assets and liabilities including materially known contingent liabilities and disputed dues and employees related to the said business of the Company as on 18-3-2008 have been transferred to Hitkari Hi Tech Fibres Pvt. Ltd. The necessary formalities for changing / transferring the name in respect to disputed dues of Sales Tax & Excise are under process.

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
<b>4. Auditors' remuneration (including service tax) consists of the following :</b>		
Towards Statutory Audit	220,600	261,986
Towards Consolidated Accounts	-	55,150
Towards Tax Audit	-	16,854
Towards Taxation	-	16,854
Towards Limited Review	66,180	49,635
Towards Certification	27,575	-
<b>Total</b>	<b>314,355</b>	<b>400,479</b>
<b>5. Expenditure in Foreign Currency:</b>		
Travelling Expenses	161131	221432
Professional Fess	-	54962
<b>6. The disclosure required as per AS -15, Employees Benefit, issued by ICAI are as under:</b>		
The Company has classified the various benefits provided to employees as under:		
(i) Defined Contribution plans		
--Nil--		

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
(ii) Defined Benefits Plan (Non Funded Scheme)	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Rs.	Rs.	Rs.	Rs.
<b>I. Actuarial Assumptions</b>				
Discount Rate (Per Annum)	8%	8%	8%	8%
Rate of increase in compensation levels (Per Annum)	5%	5%	5%	5%
Expected average remaining lives of the employees (in no of years)	15	NA	16	NA
Attrition Rate	NA	2%	NA	2%
<b>II. Change in Present Value of Obligation</b>				
Present value of defined benefits obligation as at the beginning of the year	164,904	282,583	-	-
Interest Cost	33,370	25,435	4,025	22,607
Current Service Cost	252,226	154,401	50,317	282,583
Benefits Paid	-	(238,103)	-	-
Actuarial (Gain) / loss on obligation	(220,521)	162,288	110,562	(22,607)
Present value of defined benefits obligation as at the end of the year	229,979	386,604	164,904	282,583
<b>III Amount recognised in the Balance Sheet</b>				
Liability at the end of the year	229,979	386,604	164,904	282,583
Fair Value of Plan Assets at the end of the year	-	-	-	-
Difference	229,979	386,604	164,904	282,583
Unrecognised Past Service Cost	-	-	-	-
Unrecognised Transitional Liability	-	-	-	-
Amount recognised in the Balance Sheet	229,979	386,604	164,904	282,583

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
<b>IV. Expenses recognised in the Pre-operative Expenses</b>				
Current Service Cost	252,226	154,401	50,317	282,583
Past Service Cost				
Interest Cost	33,370	25,435	4,025	22,607
Expected Return on Plan Assets				
Recognition of Transitional Liability				
Net Actuarial (Gain) Loss Recognised in the period	(220,521)	162,288	110,562	(22,607)
Total expenses recognised in the Preoperative Expenses	65,075	342,124	164,904	282,583
<b>V. Balance Sheet Reconciliation</b>				
Liability at the beginning of the year	164,904	282,583	-	-
Expenses as above	65,075	342,124	164,904	282,583
Employers' Contribution				
Amount recognised in the Balance Sheet	229,979	624,707	164,904	282,583
<b>VI. Experience Adjustment</b>				
Experience adjustment on liability	(220,521)	162,288	110,562	(22,607)

7. Segmental Reporting as per Accounting Standard (AS) -17 issued by ICAI. In the opinion of management, as the Company has already hived off its fibres business as explained in note no 3 above and is now in process of setting up Power Project, it operates in one segment only, separate segment wise reporting is not required.

8. Related Party Transactions (AS - 18) : (Amount in Rs.)

Name of the Related Party	Relation	Nature of Transaction	For the year ended		Closing Balance	
			31.03.2010	31.03.2009	As at 31.03.2010	As at 31.03.2009
Spice Energy Pvt. Ltd.	Holding Company	Loans taken (net)	54,868,258	297,386,593	389,654,851	334,786,593
Spice Energy Pvt. Ltd.	Holding Company	Sale of Investment in Subsidiaries	400,000	-	-	-
Spice Cement Pvt Ltd	"	Investment in Equity Shares	-	100,000	-	100,000
Spice Fuel Ventures Pvt Ltd	"	Investment in Equity Shares	-	100,000	-	100,000
Spice Power Trading Pvt Ltd	"	Investment in Equity Shares	-	100,000	-	100,000
Spice Power Transmission Pvt. Ltd.	"	Investment in Equity Shares	-	100,000	-	100,000
Spice Cement Pvt Ltd	"	Temp. advance given	-	15,300	-	15,300
Spice Fuel Ventures Pvt Ltd	"	Temp. advance given	-	15,300	-	15,300
SRM Energy Tamilnadu Pvt. Ltd. (formerly known as Spice Power Trading Pvt Ltd.)	"	Temp. advance given	-	15,300	-	15,300
Spice Power Transmission Pvt. Ltd.	"	Temp. advance given	-	15,520	-	15,520
Spice Cement Pvt Ltd	"	Temp. advance received back (net)	15,300	-	-	-
Spice Fuel Ventures Pvt Ltd	"	Temp. advance received back (net)	15,300	-	-	-
Spice Power Trading Pvt Ltd	"	Temp. advance received back (net)	15,300	-	-	-
Spice Power Transmission Pvt. Ltd.	"	Temp. advance received back (net)	15,520	-	-	-
Bermaco Energy Systems Ltd.	"	Advance against purchase of land	-	30,000,000	30,000,000	30,000,000
Bermaco Petroleum International	"	Advance against purchase of land	-	23,000,000	23,000,000	23,000,000
Hilkari Hitech Fibres P. Ltd	"	Temp. Loans taken	875,703	4,090,652	-	2,572,908
Hilkari Hitech Fibres P. Ltd	"	Temp. Loans repaid	3,448,611	1,517,744	-	-
Hilkari Hitech Fibres P. Ltd	"	Sales of Goods	-	2,386,000	-	-
Hilkari Hitech Fibres P. Ltd	"	Purchase of goods	-	3,159,000	-	-
SRM Exploration P. Ltd.	"	Temp. Loans repaid	-	10,200,000	-	-
D.Sundararajan	Director	Temp. Loans taken	-	150,000	-	-
D.Sundararajan	Director	Temp. Loans repaid	-	150,000	-	-
Mr. Srinivasan Parthasarathy	Director	Directors' Remuneration	-	6,943,000	-	-
Gagan Deep Rastogi	Directors' Son	Temp. Loans taken	8,400,000	-	-	-
Gagan Deep Rastogi	Directors' Son	Temp. Loans repaid	8,400,000	-	-	-

**NOTES OF ACCOUNTS**  
**SCHEDULE 11 (Cont.)**



- \* Subsidiaries up to 29 th July, 2009.
- \*\* Enterprises over which key management personnel and / or their relatives have significant influence.
- # Paid by the erstwhile SRM Energy Pvt. Ltd. and transferred to the Company as per Scheme of Amalgamation.
- Note: During the year company has not written off and written back any amount relating to parties covered under section 301.

**9. Disclosure as required by Accounting Standard (AS) -19 are as follows:**

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

Lease Obligation	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
Not later than one year	1,756,800	10,588,000
Later than one year but not later than five years	-	3,464,000
Later than five years	-	-

**10. In accordance with Accounting Standard 20 on Earnings Per Share (EPS) issued by ICAI, the following table reconciles the numerator and denominator used to calculate the basic/diluted earnings per share.**

Particulars	Current year	Previous year
Net Loss as per Profit and Loss Account (in Rs.)	(365,491.94)	(2,438,466)
Weighted average number of equity shares (par value of Rs. 10/- each)	9,060,000	9,060,000
Earnings per share (Face value of Rs. 10/- each)- Basic and Diluted (in Rs.)	(0.04)	(0.27)

**11. Based on the information available with the company, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is Nil (previous year nil). Further, no interest during the period has been paid or payable under the terms of the MSMED Act, 2006. (previous year nil).**

**12. Going Concern**

Though the Company's net worth has been substantially eroded, earlier businesses have been discontinued and the Company has been incurring cash losses, the management is of the strong view that once the power project, which is being set up by the Company gets going, the Company would have a turnaround. Even otherwise, the Company's present assets are adequate to meet its liabilities. The management is also committed to provide necessary funding to meet Company's Liabilities. Accordingly the accounts have been drawn under going concern assumption.

**13. Figures for the previous year have been regrouped / rearranged wherever necessary to confirm to this year of classification.**

**14. Figures are rounded off to the nearest rupee.**

As per our attached report of even date

For and on behalf of the Board of Directors

**For Haribhakti & Co.**  
Chartered Accountants

**S. R. Dakhara**  
Head - Accounts

**D. Sundararajan**  
Director

**P. Srinivasan**  
Director

**Sarah George**  
Partner

**Sanjeevlata Samdani**  
Company Secretary

**Bantval Srinivasa Rao**  
Director

M.N. 45255

Place : Mumbai

Date : 08-04-2010

**BALANCE SHEET**  
**ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE**



Information as required under Part IV of the Schedule VI of the Companies Act, 1956

**I. Registration Details**

Registration No. 37364 State Code 11  
 Balance Sheet Date 31.03.2010

**II. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**

Public Issue	Right Issue
-	-
Bonus Issue	Private Placement
-	-

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**

	Total Liabilities	Total Assets
	480,255	480,255
Source of Funds	Paid up Capital	Reserves & Surplus
	90,600	-
	Secured Loans	Unsecured Loans
	-	389,655
Application of Funds	Net Fixed Assets	Investments
	423,613	-
	Net Current Assets	Miscellaneous Exp.
	(11,193)	-
	Accumulated Losses	
	67,834	

**IV. Performance of Company (Amount in Rs. Thousand) #**

Turnover	Total Expenditure
3	368
Profit / (Loss) Before Tax	Profit / (Loss) After Tax
(365)	(365)
Earning per Share	Dividend Rate %
(0.04)	-

**V. Generic Names of Principal Products/Services of the Company (As per monetary terms)**

Item Code No. (ITC Code)	Product Description
N.A.	Power #

# The Company is in process of setting up power project.



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# SRM ENERGY LIMITED

(Formerly Hitkari Fbires Ltd.)

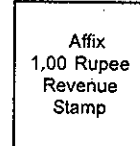
Regd. & Admin Office: 36/37, Mittal Chambers, Nariman Point, Mumbai - 400 021

## PROXY

I/We \_\_\_\_\_ of  
 \_\_\_\_\_ in the district of \_\_\_\_\_ being  
 a Member/Members of the above named Company, hereby appoint \_\_\_\_\_  
 of \_\_\_\_\_ in the district of \_\_\_\_\_ of  
 failing him \_\_\_\_\_ of \_\_\_\_\_ in  
 the district of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us and  
 on my/our behalf at the Twenty Third Annual General Meeting of the Company to be  
 held on Monday, May 17, 2010 at 11.30 A.M. at Kilachand Hall IMC Building, IMC Marg,  
 Churchgate, Mumbai -400020.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature : \_\_\_\_\_



Reference Folio No./Client ID No. \_\_\_\_\_

No. of shares \_\_\_\_\_

This form is to be used \*in favour / \*against of the resolution. Unless otherwise instructed the proxy will act as he thinks fit.

\* Strike out which over is not desired.

**Note :** the Proxy must be returned so as to reach the Registered Office of the Company, SRM Energy Limited 36/37, Mittal Chambers, Nariman Point, Mumbai - 400 021 not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting..

PLEASE TEAR HERE



# SRM ENERGY LIMITED

(Formerly Hitkari Fbires Ltd.)

Regd. & Admin Office: 36/37, Mittal Chambers, Nariman Point, Mumbai - 400 021

## ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Name of the Shareholder (In BLOCK LETTERS) \_\_\_\_\_

Member's Folio No./Client ID No. \_\_\_\_\_

Name of the Proxy (In BLOCK LETTERS) \_\_\_\_\_

(To be filled if the proxy attends instead of the member)

No. of Shares held \_\_\_\_\_

I hereby record my presence at the Twenty Third Annual General Meeting of the Company held at Kilachand Hall IMC Building, IMC Marg, Churchgate, Mumbai -400020 on Monday, May 17, 2010 at 11.30 A.M.

### SIGNATURE OF THE ATTENDANCE MEMBER / PROXY

1. Shareholder/Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at entrance, duly signed.
2. Shareholder / Proxyholder desiring to attend the meeting should bring his copy of the Annual Report for reference at the Meeting.

**BOOK-POST**

**If undelivered, please return to :**

**SRM Energy Limited**  
36-37, Mittal Chambers,  
228, Nariman Point,  
Mumbai - 400 021.