V N R ASSOCIATES
Chartered Accountants

Gr. floor, H.no.MIGH-358, APHB,
Balaji Nagar, Kukatpally,
Hyderabad – 500 072.
Ph. 23052826; Cell: 9849577090
Email: vnrao _ca @ yahoo.com (and)
vnrao.ca@gmail.com

Auditor's Report on Quarterly Financial Results and Year to Date Financial Results of M/s XL Energy Limited pursuant to Clause 41 of the Listing Agreement.

To
The Board of Directors of M/s XL Energy Limited

We have audited the quarterly financial results of XL Energy Limited ('the Company') for the quarter ended 31st March 2014 and the year to date financial results for the period from 1st April 2013 to 31st March 2014, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding: and 'Promoter and promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date financial results:

(i) Are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and

(ii) Give a true and fair view of the net loss and other financial information for the quarter ended 31st March , 2014 as well as the year to date financial results for the period from 1st April ,2013 to 31st March, 2014

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholding in respect of aggregate amount of public shareholding, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

M/s V N R ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn: 004478S

Place: Hyderabad
Date: 12.06.2014

V N RAO
PROPREITOR
M. No: 18492.

XL ENERGY LIMITED

CIN : L31300TG1985PLC005844

Regd. Office:C-2, Pooja Plaza, Vikrampuri, Secunderabad - 500009

Audited Financial Results for the Quarter ended & Year ended 31st March, 2014

The Silent Performer

XL ENERGY LTD.

Part I		Stand Alone					Consolidated	
		Quarter ended			Year Ended		Year Ended	
S.No	Particulars	3 months ended (31.03.2014) Audited	Previous 3 months ended (31/12/2013) Unaudited	Corresponding 3 months in the previous year (31/03/2013) Audited	(31/03/2014) Audited	Previous year ended (31.03.2013) Audited	(31.03.2014) Audited	Previous year ended (31.03.2013) Audited
1	Income from Operations							
	(a) Net Sales/Income from Operations (Net of Excise Duty)	3.17	63.23	4.05	196.88	307.93	792.00	1117.46
	(b) Other operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Income from operations	**3.17**	**63.23**	**4.05**	**196.88**	**307.93**	**792.00**	**1117.46**
2	Expenses							
	(a) Cost of materials consumed	60.78	0.00	197.68	69.69	197.68	69.69	197.68
	(b) Purchases of Stock - in - Trade	(0.20)	0.20	0.00	0.00	0.00	0.00	12.03
	(c) Changes in inventories of finished goods, WIP and stock in trade	(14.96)	47.42	405.59	136.50	420.84	136.50	420.84
	(d) Employee Benefits Expense	(62.79)	11.39	130.07	2.12	211.08	42.23	322.02
	(e) Depreciation and amortisation exp	98.39	76.72	77.39	328.53	310.34	775.11	688.9
	(f) Other expenses	75.73	26.66	129.88	218.95	253.92	303.71	543.72
	(g) Provision for bad debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Expenses	**156.94**	**162.39**	**940.61**	**755.79**	**1393.86**	**1327.24**	**2185.19**
3	Profit/(Loss) from Operations before Other Income, finance costs and Exceptional Items (1-2)	**(153.77)**	**(99.16)**	**-936.56**	**(558.91)**	**(1085.93)**	**(535.24)**	**(1,067.73)**
4	Other Income	2.09	0.00	7.80	10.60	16.31	10.60	33.71
5	Profit/(Loss) from ordinary Activities before finance costs and Exceptional Items (3+4)	**(151.68)**	**(99.16)**	**-928.76**	**(548.31)**	**(1069.62)**	**(524.64)**	**(1034.02)**
6	Finance Costs (Net)	4.40	0.00	1.86	4.40	1.86	13.42	35.75
7	Profit/(Loss) from ordinary Activities after finance costs but before Exceptional Items (5-6)	**(156.08)**	**(99.16)**	**-930.62**	**(552.71)**	**(1071.48)**	**(538.06)**	**(1069.77)**
8	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	**Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)**	**(156.08)**	**(99.16)**	**(930.62)**	**(552.71)**	**(1071.48)**	**(538.06)**	**(1069.77)**
10	Tax expense							
	-Current Tax	0.00	0.00	0.00	0.00	0.00	(1.34)	1.06
	-Deferred Tax	(99.15)	0.00	(495.38)	0.00	(543.93)	0.00	(543.93)
	-Deferred Tax for the prior period (Not provided earliar)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (9-10)	**(56.93)**	**(99.16)**	**(435.24)**	**(552.71)**	**(527.55)**	**(536.72)**	**(526.90)**
12	Extraordinary Items	0.00	0.00	560.48	0.00	560.48	(202.32)	644.59
13	**Net Profit(+)/ Loss(-) for the period (11-12)**	**(56.93)**	**(99.16)**	**(995.72)**	**(552.71)**	**(1088.03)**	**(334.40)**	**(1171.49)**
14	Share of Profit/ Loss of Associates*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Minority Interest*	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	**Net Profit/(Loss) after taxes, minority interest and share profit/ (Loss) of Associates (13+14+15)**	**(56.93)**	**(99.16)**	**(995.72)**	**(552.71)**	**(1088.03)**	**(334.40)**	**(1171.49)**
17	(a) Paid up Equity Share Capital (Face Value: Rs.10/- each)	2277.44	2277.44	2277.44	2277.44	2277.44	2277.44	2277.44
	(b) Preference Shares (Face Value: Rs.10/- each)	10378.04	10378.04	10378.04	10378.04	10378.04	10378.04	10378.04
18	Reserve excluding Revalution Reserves as per balance sheet of previous accounting year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 (i)	Earnings per Share (before Extraordinary items) (ofRs. -----/- each) (Not annualized)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(a) Basic	(0.25)	(0.44)	(1.91)	(2.43)	(2.32)	(2.36)	(2.31)
	(b) Diluted	(0.25)	(0.44)	(1.91)	(2.43)	(2.32)	(2.36)	(2.31)
19(ii)	Earnings per Share (after Extraordinary items) of Rs. -/- (Not annualized)	0.00						
	Basic	(0.25)	(0.44)	(4.37)	(2.43)	(4.78)	(1.47)	(5.14)
	Diluted	(0.25)	(0.44)	(4.37)	(2.43)	(4.78)	(1.47)	(5.14)

For V.N.R. ASSOCIATES
CHARTERED ACCOUNTANTS

V.N.RAO., F.C.A.,
(M. No.18492) PROPRIETOR

Hyderabad
Firm Regn.No
004478S

For XL Energy Limited

Dinesh Kumar
Managing Director

Place: Secunderabad
Date: 12-06-2014

XL ENERGY LIMITED
C2, Pooja Plaza, Vikrampuri, Secunderabad – 500 009. INDIA
Tel: +91-40-27883333 Fax:+91-40-27883344
Visit us at www.xlenergy.co

Statement of Assets and Liabilities CIN : L31300TG1985PLC005844

		Stand Alone		Consolidated	
	Particulars	As at Year ended on 31.03.2014 (Audited)	As at Year ended on 31.03.2013 (Audited)	As at Year ended on 31.03.2014 (Audited)	As at Year ended on 31.03.2013 (Audited)
A	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a) Share Capital	12655.48	12655.48	12655.48	12655.48
	(b) Reserves and Surplus	(10861.27)	(10308.56)	(12291.96)	(11957.57)
	(c) Money received against share warrants	0.00	0		0.00
	Sub-total-Shareholders' funds	**1794.21**	**2346.92**	**363.52**	**697.91**
2	**Share application money pending allotment**	0.00	**0.00**	**0.00**	**0.00**
3	**Minority Interest**	0.00	**0.00**	**0.00**	0.02
4	**Non-Current Liabilities**				
	(a) Long-term borrowings	39798.08	39798.08	45096.60	39808.27
	(b) Deferred tax liabilities (net)	0.00	0.00	0.00	0.00
	(c) Other Long-term borrowings	1901.99	1901.99	1901.99	2335.54
	(d) Long-term provisions	3248.18	3252.18	3248.18	3252.18
	Sub-total-Non-Current Liabilities	**44948.25**	**44952.25**	**50246.77**	**45395.99**
5	**Current Liabilities**				
	(a) Short-term borrowings	49061.38	49378.49	49061.38	50851.87
	(b) Trade payables	923.27	980.64	923.27	994.03
	(c) Other Current Liabilities	86.72	209.45	86.72	223.02
	(d) Short-term provisions	507.77	538.62	519.24	553.69
	Sub-total-Current Liabilities	**50579.14**	**51107.20**	**50590.61**	**52622.61**
	TOTAL EQUITY AND LIABILITIES	**97321.60**	**98406.37**	**101200.90**	**98716.53**
B	**ASSETS**				
1	**Non-Current Assets**				
	(a) Fixed Assets	32963.10	33301.92	39811.86	42381.47
	(b) Goodwill on Consolidation	0	0	0.00	0.00
	(c) Non-current Investments	2648.20	4186.00	5.00	0.00
	(d) Deferred tax Assets (net)	16976.68	16976.68	17110.75	17089.15
	(e) Other Long-term Loans and advances	18434.42	17303.55	18458.23	17306.60
	(f) Other Non-current Assets	150.13	196.33	150.13	1144.71
	Sub-total-Non-Current Assets	**71172.53**	**71964.48**	**75535.97**	**77921.93**
2	**Current Assets**				
	(a) Current Investments	0	0	0.00	0.00
	(b) Inventories	7873.94	8079.93	7873.94	8079.93
	(c) Trade Receivables	16413.26	16469.23	15887.53	10714.13
	(d) Cash and Cash equivalents	240.05	266.88	251.85	280.44
	(e) Short-term Loans and advances	1390.6	1350.20	1391.74	1388.38
	(f) Other current Assets	231.22	275.65	259.87	331.72
	Sub-total-Current Assets	**26149.07**	**26441.89**	**25664.93**	**20794.60**
	TOTAL ASSETS	**97321.60**	**98406.37**	**101200.90**	**98716.53**

The Silent Performer
XL ENERGY LTD.

Place: Secunderabad
Date: 12-06-2014

For V N R ASSOCIATES
CHARTERED ACCOUNTANTS
V.N.RAO., F.C.A.,
(M. No.18492) PROPRIETOR

V N R ASSOCIATES ★ Hyderabad Firm Regn.No. 004478S ★ CHARTERED ACCOUNTANTS

For XL Energy Limited

Dinesh Kumar
Managing Director

XL ENERGY LIMITED
C2, Pooja Plaza, Vikrampuri, Secunderabad – 500 009. INDIA
Tel: +91-40-27883333 Fax:+91-40-27883344

Part II

Information for Quarter Ended 31st March, 2014

A	PARTICULARS OF SHAREHOLDING							
1	Public Shareholding							
	- Number of Shares		18250284	18250284	18250284	18250284	18250284	18250284
	- Percentage of Shareholding		80.14%	80.14%	80.14%	80.14%	80.14%	80.14%
2	Promoters and Promoter Group Shareholding							
	a) Pledged /Encumbered							
	- Number of Shares		4524113	4524113	4524113	4524113	4524113	4524113
	- Percentage of Shares (as a % of the total Shareholding of Promoter and promoter Group)		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of Shares (as a % of the total Sharecapital of the Company)		19.86%	19.86%	19.86%	19.86%	19.86%	19.86%
	b) Non-Encumbered							
	- Number of Shares		0.00	0.00	0.00	0.00	0.00	0.00
	- Percentage of Shares (as a % of the total Shareholding of Promoter and promoter Group)		0.00	0.00	0.00	0.00	0.00	0.00
	- Percentage of Shares (as a % of the total Share capital of the Company)		0.00	0.00	0.00	0.00	0.00	0.00

	Particulars		3 months ended 31.03.2014	
B	Investor Complaints			
	a. Beginning of the Quarter		1	
	b. Received during the Quarter		NIL	
	c. Disposed of during the Quarter		1	
	d. Remaining unresolved at the end of the quarter		NIL	

Reporting of Segment-wise Revenue, Results and Capital Employed

Rs.in Lakhs

Particulars	Quarter ended			Year ended	
	3 months ended (31.03.2014) Audited	Previous 3 months ended (31/12/2013) Unaudited	Corresponding 3 months in the previous year (31/03/2013) Unaudited	(31/03/2014) Audited	Previous year ended (31.03.2013) Audited
1. Segment Revenue					
(a) Segment – TELECOM	0.00	0.00	0.00	0.00	0.00
(b) Segment – ENERGY	3.17	63.23	4.05	196.88	307.93
(c) Unallocated	0.00	0.00	0.00	0.00	0.00
Total	**3.17**	**63.23**	**4.05**	**196.88**	**307.93**
Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00
Net sales/Income From Operations	**3.17**	**63.23**	**4.05**	**196.88**	**307.93**
2. Segment Results **(Profit)(+)/ Loss (-) before tax and interest from Each segment)**					
(a) Segment – TELECOM	0.00	0.00	0.00	0.00	0.00
(b) Segment – ENERGY	(151.68)	(99.16)	-928.76	(548.31)	(1085.93)
Total	**(151.68)**	**(99.16)**	**-928.76**	**(548.31)**	**(1085.93)**
Less: (i) Interest	0.00	0.00	1.86	4.40	1.86
(ii) Other Un-allocable Expenditure net off	0.00	0.00	0.00	0.00	0.00
(iii) Un-allocable income	0.00	0.00	0.00	0.00	0.00
Total Profit Before Tax	**(151.68)**	**(99.16)**	**-930.62**	**(552.71)**	**(1087.79)**
3. Capital Employed					
(Segment assets – Segment Liabilities)					
(a) Segment – TELECOM	15972.56	15972.56	15972.56	15972.56	15972.56
(b) Segment – ENERGY	43139.61	46819.17	43771.25	43139.61	43771.25
Total	**59112.17**	**62791.73**	**59743.81**	**59112.17**	**59743.81**

Notes:

1. The above audited financial results for the quarter and year ended 31st March, 2014, reviewed by the Audit Committee of the Board have been approved by the Board of Directors at their meeting held on 12th June, 2014.

2. The operations of the company were adversely affected after the global economic downturn worldwide and remain under distress at the current time.

3. The banks have initiated steps for recovery of the loans since the bank accounts have become NPA. The company has submitted an OTS proposal to the banks with support from ARC's and the matter is under consideration. Hence interest has not been provided on the loans outstanding

4. Figures for the previous period/year have been regrouped and rearranged wherever necessary.

For V N R ASSOCIATES
CHARTERED ACCOUNTANTS

V.N.RAO, F.C.A.
(M. No.18492) PROPRIETOR

V N R ASSOCIATES Hyderabad Firm Regn.No.: 004478S CHARTERED ACCOUNTANTS

Place: Secunderabad
Date: 12-06-2014

For XL Energy Limited

Dinesh Kumar
Managing Director