

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

VIKRAM MANKAL	Managing Director & Chief Executive Officer
R. RAMAKRISHNAN	Director
MALKA KOMARAI AH	Director
K.N. NARAYANAN	Director
SUCHARITHA PARTHASARATHY	Director
RAJESH DEVARAJAN	Director

CHIEF FINANCIAL OFFICER

A. SRIRAM

COMPANY SECRETARY & COMPLIANCE OFFICER

ROHINI RAMANATHAN

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Ltd
Subramaniam Building
#1 Club House Road
Chennai - 600 002

REGISTERED OFFICE

Karunai Kudil,
I Floor
No. 226, Cathedral Road
Chennai – 600 086
Tel: + 91 44 - 28110252

AUDITORS

M/s PKF Sridhar & Santhanam
Chartered Accountants
KRD GEE GEE Crystal, 7th Floor
91-92, Dr. Radhakrishnan Salai
Mylapore, Chennai 600 004.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIRST ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT 11 A.M ON TUESDAY THE 31ST DECEMBER, 2013 AT BHARATHIYA VIDHYA BHAVAN (MINI HALL – II FLOOR) 18, 20, 22, EAST MADA STREET, MYLAPORE, CHENNAI 600 004 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2013, and the Profit and Loss Account of the Company for the year ended 30th June, 2013 together with the Directors' Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. Rajesh Devarajan who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration.

“RESOLVED THAT subject to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s Sreedhar, Suresh & Rajagopalan, Chartered Accountants, bearing Firm Registration No. : 003957S be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting in place of the retiring Auditors, M/s. PKF Sridhar & Santhanam, Chartered Accountants, on a remuneration to be fixed by the Board of Directors.”

By the Order of the Board of Directors

Place : Chennai
Date : 6th September, 2013

Rohini Ramanathan
Company Secretary

Regd. Office:
I Floor, KARUNAI KUDIL,
No. 226, Cathedral Road,
Chennai - 600 086

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 such proxy need not be a member of the Company. The proxy form duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time to the commencement of the aforesaid meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 28th December, 2013 to Tuesday the 31st December, 2013 (both days inclusive).
3. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature on the attendance slip should match with the signature(s) registered with the Depositories / Company / RTA, as the case may be. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection of the Members at the venue of the Annual General Meeting.
5. The Register of Contracts maintained under Section 301 of the Companies Act, 1956, will be available for inspection of the members at the Registered office of the Company.
6. As an economic measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of Annual Report to the meeting.

By the Order of the Board of Directors

Place : Chennai
Date : 6th September, 2013

Rohini Ramanathan
Company Secretary

Regd. Office:
I Floor, KARUNAI KUDIL,
No. 226, Cathedral Road,
Chennai - 600 086

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 (IV) (G) of the Listing Agreement)

Profile of the Directors seeking Re-appointment

2. Mr. RAJESH DEVARAJAN – Director, retiring by Rotation

Rajesh Devarajan, an enterprising leader with over 14 years global experience in technology, retail and telecom. He has experience in developing strategies for business growth and leading change. Prior to this he worked for John Lewis partnership, British Telecom, Tata consultancy services and Invictus global solutions. Rajesh Devarajan earned a Bachelor's degree in mathematics from Madras University in 1991, a Master's degree in computer application from NIT, Warangal in 1997 and an MBA from London Business School in 2010.

Mr. Rajesh Devarajan joined the Board of Premier Energy and Infrastructure Limited on 14th December, 2011.

He is a Member of 1) Audit Committee, 2) Share Transfer and Investor Grievance Committee and 3) Remuneration Committee.

Details of Other Directorships and other Committee memberships in other Companies as on 6th September, 2013 – Nil.

He holds 90,000 shares in the Company.

3. Appointment of Auditors:

M/s PKF Sridhar & Santhanam, Chartered Accountants, Statutory Auditors of the Company are retiring at the ensuing Annual General Meeting. The Board of Directors decided to have a rotation policy for the auditors that they will continue as Auditors for a period of 4 years. Since the present auditors have completed 4 years they are not seeking reelection as auditors in the ensuing Annual General Meeting.

A special Notice has been received from a member proposing the appointment of from M/s Sreedhar, Suresh & Rajagopalan, Chartered Accountants as the Auditors of the Company.

The Company has received a letter from M/s Sreedhar, Suresh & Rajagopalan, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for appointment within the meaning of Section 226 of the said Act.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty First Annual Report along with the Audited Accounts for the financial year ended 30th June, 2013.

The performance of the Company for the year ended 30th June, 2013 is summarized below:

(Rs. in Lacs)

	Consolidated		Standalone	
	2012-13	2011-12	2012-13	2011-12
Sales and Other Income	17277.01	19399.20	4389.26	5478.66
Profit / (Loss) before Depreciation, Interest and Tax	2937.02	2763.74	1073.85	666.12
Interest	1401.62	1455.66	33.19	0.61
Depreciation	342.90	524.66	2.20	8.46
Profit (Loss) before Tax	1192.50	783.42	1038.46	657.05
Less : Provision for Tax	385.37	429.71	343.37	429.71
Less : Provision for Deferred Tax	6.32	(33.37)	2.19	0.30
Minority Interest	54.45	79.96	–	–
Share of Profit of Associates	–	1386.36	–	–
Profit carried to Balance Sheet	746.36	1693.48	692.90	227.04

PERFORMANCE REVIEW

The Consolidated Sales and other income for the year under review was Rs. 17277.01 lacs as against Rs. 19399.20 lacs in the previous year. While the Standalone Turnover for the year is Rs. 4389.26 lacs as compared to Rs. 5478.66 lacs in the previous year. The consolidated figures include the financials of our subsidiary, Emas Engineers & Contractors for 15 months in the previous year due to extension of accounting period from March 2012 to June 2012 which has been taken for consolidation. Hence the previous figures of consolidated financials are not comparable with the current year financials.

Business Highlights

The first phase of 56 MW Tadipatari Project has been completed. The second Phase will be completed by December 2014. The company is in the process of identifying land for Wind Farm projects and also for developing low cost housing which has a good market potential.

Depository System

Your Company's Equity Shares are available in dematerialised form through National Securities Depository

Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As per the Securities Exchange Board of India (SEBI) Circular No: Cir/ISD/3/2011 dated June 17, 2011 on "Trading rules and shareholding in dematerialized mode", all the Listed Companies were required to achieve 100% of the promoters and promoter group's holding in dematerialized form within the prescribed time limit. Accordingly the shares held by the promoters of your Company were held 100% in electronic mode as at 30th June, 2013. 87.84% of the Equity Shares of the Company were held in demat form as at 30th June, 2013.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges is reproduced in a separate section elsewhere in the Annual Report.

CEO / CFO Certification

Mr. Vikram Mankal, Managing Director & Chief Executive Officer and Mr. A. Sriram, Chief Financial Officer have given a Certificate to the Board as required in Clause 49 (V) of the Listing Agreement.

Consolidated Financial Statements

In accordance with Accounting Standard AS – 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements are provided as a part of this Annual Report.

The Ministry of Corporate Affairs, Government of India has vide Circular No: 2 /2011 dated February 8, 2011 granted general exemption, subject to the fulfilment of certain conditions, from attaching the Balance Sheet of the Subsidiaries to the Balance Sheet of the Company without obtaining prior approval from the Central Government for such exemption. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. Financial Information of the subsidiary companies are disclosed elsewhere in the Annual Report. The Annual Accounts of these subsidiaries and related detailed information will be made available to any member of the Company / its subsidiaries at the Registered office of the Company.

SUBSIDIARY COMPANIES

As at 30th June, 2013, your Company had a total of 3 subsidiaries and 2 step down subsidiaries. The following are the details of the subsidiaries, step down subsidiaries of your Company.

SUBSIDIARY/STEP DOWN SUBSIDIARY COMPANIES

EMAS ENGINEERS AND CONTRACTORS PRIVATE LIMITED

EMAS is engaged in the business of Civil and Electro Mechanical contracting. The business portfolio of EMAS includes construction of residential buildings and commercial establishments. It has carried out projects in states of Tamil Nadu, Karnataka and Andhra Pradesh. Financial Highlights of EMAS for 2012-13 is as under:

(Rupees in Lacs)

Particulars	2012-13
Sales & Other Income	1288.61
Equity Capital	1202.40
Reserves & Surplus	3294.02
Earnings per share	0.91

RCI POWER LIMITED & RCI POWER (AP) LIMITED

These are the Companies that hold land for wind farm development. Wind Farm will be developed on the lands held by them. Further, RCI Power Limited has two subsidiaries :

- i) RCI Windfarm 30MW Private Limited and
- ii) RCI Windfarm 50 MW Private Limited

Dividend

Considering the significant expansion plans and implementation of the same your Company requires substantial investments and hence the Board of Directors finds it prudent not to recommend declaration of dividend for the year.

Deposits

The Company has not accepted any deposits either from the shareholders or public within the meaning of The Companies' (Acceptance of Deposits) Rules, 1975.

Directors

Mr. Rajesh Devarajan retires by rotation at the ensuing Annual General Meeting and he being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the presentation of the Annual Accounts for the year ended 30th June 2013, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same ;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June 2013 and of the profit of the Company for the year ended on that date ;
- (iii) the Directors have 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 ; and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Auditors and Auditors Report

M/s PKF Sridhar & Santhanam, Chartered Accountants, Statutory Auditors of the Company are retiring at the ensuing Annual General Meeting. The Board of Directors decided to have a rotation policy for the auditors that they will continue as Auditors for a period of 4 years. Since the present auditors have completed 4 years they are not seeking reelection as auditors in the ending Annual General Meeting.



The Board records its sincere appreciation of the long association your company had with M/s PKF Sridhar & Santhanam.

A special Notice has been received from a member proposing the appointment of M/s Sreedhar, Suresh & Rajagopaln, Chartered Accountants (Firm Regn. 003957S) as the Auditors of the Company.

The Company has received a letter from M/s Sreedhar, Suresh & Rajagopalan, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for appointment within the meaning of Section 226 of the said Act.

Reply to Auditors' Report to the Consolidated Financial Statements:

Regarding the audit qualification and reference to Note No. 28, the company has not entered into any documentation as the monies were received and returned back on the same day or in a few days and fee income of Rs. 14 lacs on this will be accounted on receipt basis.

Regarding the qualification on the confirmation of balance of Rs. 16 crores: This is for the amount due from one party which will be obtained in this year. The management does not expect any impact on the Profits and reserves.

The Audited Financials of Emas Engineers & Contractors Pvt Ltd will be taken for consolidation from the year 2013 -14.

Regarding non provision for gratuity by Subsidiary Emas Engineers & Contractors Pvt Ltd: This will be examined and suitable provisions, if required, will be provided by EMAS Engineers and Contractors Pvt Ltd in the next year.

Reply to Point No. (iii) (a) in the annexure to Auditors' Report to the Stand alone Financial Statements: The loan

of Rs. 13 lacs was given for a very short period and as confirmed by the auditors there are no dues as on 30.06.2013.

Regarding point No. (iii) (b) in the annexure to Auditor's Report: This loan was given by the promoter company without charging any interest as this was for a very short period and as can be appreciated this is only beneficial to the company.

Energy conservation, technology absorption and foreign exchange earnings and outgo

The Company has no activities, relating to conservation of energy or technology absorption during the year under review. The out go on expenditure in foreign currency on account of travel was Rs. 11,50,227/-.

Particulars of Employees

As required under the provisions of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Circular GSR 289, 2011 there are no employees who are covered under the abovementioned provisions and rules.

Acknowledgement and Appreciation

Your Directors wish to express their appreciation for the assistance, support and cooperation extended by all Members during the year under review.

For and on behalf of the Board

Vikram Mankal
Managing Director & C.E.O.

K.N. Narayanan
Director

Place : Chennai

Date : 6th September, 2013

MANAGEMENT DISCUSSION AND ANALYSIS FY - 2012-13

COMPANY OVERVIEW

Premier Energy and Infrastructure Limited (PEIL) is focused on the construction, housing development and energy sector and has executed several projects in the states of Tamil Nadu, Karnataka and Andhra Pradesh. PEIL undertook estate development projects with business focus on residential and commercial developments. PEIL has completed more than 20 projects in residential and construction space with a built up area of around 9.50 Lakhs Square feet.

PEIL, further has expanded to the sector of developing infrastructural facilities in the Power generation.

PEIL is currently expanding its renewable power generation presence in the country and developing projects in the State of Andhra Pradesh. PEIL, has been executing a 95 MW wind farm project in Tadapatri, Andhra Pradesh for Leitner Shriram Manufacturing Limited. The First Phase of the Project of 50.40 MW has been completed.

SECTOR OVERVIEW

Renewable Power Generation

India is both a major energy producer and consumer. India ranked as the world's fourth largest energy consumer nation in the world after China, United States, and Russia. It is also the world's fifth largest energy producer with n installed capacity of 223.3 GW as of March 2013. The per capita energy consumption in our country remains substantially lower due to demand supply gap and ever increasing population. The Ministry of Power has forwarded a proposal for the addition of 76,000 MW of power capacity in the Twelfth Five Year Plan (2012-2017) to the Planning Commission and has set a target of 93,000 MW in the Thirteenth Five Year Plan (2017-2022). The government has undertaken several reforms to enable it to achieve its target. India added 20,623 MW to its Power generation capacity during the year 2012-13.

Housing Development

India's real estate industry is only recovering from a torrid examination. The excesses of the realty boom are a distant memory in the backdrop of the past year's realty crisis, of which the residential market slump was a significant symptom. As residential demand evaporated, developers were forced to implement innovative coping strategies in order to combat accumulating inventory and a severe lack of liquidity. The start of the current financial year ushered

in a wave of optimism that has permeated through different sectors of the economy and revived demand sentiments. While residential prices are once again on the rise, the jolts of the past year have altered the dynamics of India's residential market.

The key factors that will shape the energy / electricity markets will be climate change and energy security. The key drivers for the power sector will be based on:

- World moving towards the optimal energy mix based on either low carbon or low cost.
- Focus on increasing the overall system efficiency through technology breakthroughs.
- New delivery models like decentralized generation.

Renewable energy principally comprises of wind power, hydro power, solar power, biomass energy and geothermal energy. Renewable energies are increasingly important contributors to the world's energy supply portfolio as they contribute to world energy supply security, reducing dependency on fossil fuel resources, and provide opportunities for mitigating greenhouse gases. Renewable energy will be the fastest-growing source of electricity generation, increasing by about 2.9% annually to grow from 19.0% of the world's electricity generation in 2006 to 21.0% in 2030 according to Energy Information Administration's International Energy Outlook.

Renewable energy-based power capacities have registered the highest pace of growth in the overall capacity additions in India compared to non-renewable sources, increasing their share of total power capacity from 2.0% in FY2003 to around 10.0% in 2010.

The key drivers for the renewable energy sector in India include:

- a) The demand-supply gap, especially as population increases;
- b) Regulatory incentives and the availability of CDM benefits and Indian RECs, when fully-implemented by the Indian government
- c) A large untapped potential;
- d) environmental concerns regarding the use of fossil fuels
- e) The desire to strengthen India's energy security; and
- f) a viable solution for rural electrification.



SWOT ANALYSIS

Strengths

- PEIL, is also a developer of renewable energy power plants in India based on aggregate installed capacity.
- Operates in the rapidly growing renewable energy sector, which benefits from increasing demand for electricity and regulatory support.
- Experienced management and operating team with relevant industry knowledge and expertise.

Weakness

- Revenues from our business of renewable power generation are exposed to market based electricity prices.
- We are also susceptible to any delay in execution or escalation in cost by sub-contractors executing our projects and these delays or cost escalations may make new energy projects too expensive to complete or unprofitable to operate.
- Development activities and operations through third party developers, over which we may not have full control.
- The SEBs that we deal with may face challenges on financial viability and hence may delay or defer payments.

Opportunities

- The gap between demand and supply for power in the country presents a large and lucrative business opportunity that is expected to sustain for a number of years
- There is large amount of interest in renewable energy generation and the benefits lead to premium pricing.

Threats

- We face constraints to expand our renewable energy business due to unavailability of suitable operating sites, which are in limited supply.
- Our business is governed by a tight regulatory mechanism across various regions that we operate and any negative impact due to change in regulations could affect the viability of the business.

RISKS AND CONCERNS

Industry Risks – Housing Sector

Due to increased demand for land for development of residential and commercial properties, we are experiencing increasing competition in acquiring land in various geographies where we operate or propose to operate. In addition, the unavailability or shortage of suitable parcels of land for development leads to an escalation in land prices. Any such escalation in the price of developable land could materially and adversely affect our business, prospects, financial condition and results of operations. Additionally, the availability of land, its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no commercial or residential development is permitted without the prior approval of the local authorities

Industry Risks – Renewable Power Generation Sector

The company is exposed to typical industry risk factors including competition, regulatory environment and liquidity risks. The company tries to manage these risks by maintaining conservative financial policies and by adopting prudent risk management practices.

Regulatory environment risk – Housing Sector

The present Government of India has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However, there can be no assurance that such policies will be continued and a significant change in the Government of India's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Regulatory environment risk – Renewable Power Generation Sector

The Company is in a business which is dependent in a major way on regulatory policies as well as pricing. Any adverse change in the regulatory policy framework could impact the company's operations and financial results.

Besides the above risks, the Company has perceived risks arising from delay in execution of projects and delivery of products and services and these could arise due to external factors like lack of infrastructure and non availability of finance and resources at reasonable costs.

INTERNAL CONTROLS

The company has adequate internal control systems commensurate within its size and nature of business. The Management has overall responsibility for the Company's internal control system to safeguard the assets, usage of resources, compliance with applicable laws & regulations and to ensure reliability of financial records.

HUMAN RESOURCES

Our Human resources are a very valuable asset for our Company and employee involvement is encouraged and harnessed towards attainment of the Company's goals. A good pool of human resources is the biggest competitive advantage of PEIL.

MANAGEMENT'S RESPONSIBILITY STATEMENT

The management is responsible for preparing the company's consolidated financial statements and related information that appears in this annual report. It believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represent the company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.

SAFE HARBOUR

Some of the statements in this Annual Report that are not historical facts are forward looking statements. These forward looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market fluctuations in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.



COPORATE GOVERNANCE GUIDELINES

Corporate governance is a set of systems and practices to ensure corporate fairness, transparency and accountability in the various transactions of the Company. The corporate governance structure specifies the distribution of rights and responsibilities of the Board, Managers, Shareholders and other Stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. The fundamental concept of Corporate Governance is to ensure the conditions whereby a Company's Directors and Managers act in the interests of the Company and its various Stakeholders.

The Company is committed to achieve and maintain fair, transparent and ethical governance practices. The Board supervises the functioning of the management and protects the long-term interests of all stakeholders of the Company. The majority of our Board comprises of independent Directors. We have Audit Committee, Remuneration Committee, and Share Transfer & Investors Grievance Committee comprising of the Members of the Board that reviews periodically the matters that fall under its terms of reference.

1) BOARD OF DIRECTORS

Size and composition of the Board

The Board of Directors of the Company (the Board) consists of 6 Directors, out of which 5 are Independent Directors.

Name of Director	Position	Relationship with other directors	Directorships held as on 30 th June, 2013*	Member in Committees - Position held
Mr. R. Ramakrishnan	Independent Director	None	14	1
Mr. Vikram Mankal	Managing Director & C.E.O	None	2	
Mr. K. N. Narayanan	Independent Director	None	2	-
Mr. Rajesh Devarajan	Independent Director	None	-	-
Ms. Sucharitha P	Independent Director	None	4	2
Mr. Malka Komaraiah	Independent Director	None	12	-

* The Directorships held by Directors, as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

** In accordance with Clause 49, Membership(s) / Chairmanship(s) of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all public limited companies (excluding Premier Energy and Infrastructure Limited) have been considered.

None of the Directors on the Board is a Member on more than 10 mandatory Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all companies in which he/ she is a Director.

The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in the amended Clause 49 of the Listing Agreements.

All independent Directors have furnished a declaration annually that they qualify the conditions of their being independent. All such declarations are placed before the Board. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

Number of Board meetings held and the dates on which held

Six Board meetings were held during the year as against the minimum requirement of four meetings. The Board Meetings were held on 29th August, 2012, 11th September, 2012, 10th November, 2012, 11th February, 2013, 26th March, 2013 and 14th May, 2013 for the year ended 30th June, 2013.

The Company has held at least one Board Meeting in every three months and the maximum time gap between any such two Meetings was not more than four months.

The Attendance particulars of the Directors at the Board Meetings and at the previous Annual General Meeting is as under

Name of Director	Attendance at the Previous Annual General Meeting	No. of Board Meetings
Mr. R. Ramakrishnan	Yes	4
Mr. Vikram Mankal	Yes	6
Mr. K. N. Narayanan	Yes	6
Mr. Rajesh Devarajan	Yes	5
Ms. Sucharitha P	Yes	2
Mr. Malka Komaraiah	No	Nil

Membership Terms

The Board periodically recommends the Shareholders about re-appointments as per statue and the provisions of the Companies Act, 1956 requires the retirement of one third of the Board Members (who are liable to retire by rotation) to retire at every Annual General Meeting and eligible for re-appointment.

Compensation Policy

The Remuneration Committee determines and recommends to the Board, the compensation payable to the Executive Directors. All Board-level compensation is approved by the Shareholders, and separately disclosed in the financial statements.

2) COMMITTEES OF THE BOARD

The Board is responsible for constituting, reconstituting, appointing Committee Members and also defining its Charters.

The Chairman of the Committee or Members in consultation with the Company Secretary, determine the frequency and duration of the Committee Meetings.

Details of the Committees of the Board and other related information are provided hereunder :

Audit Committee

Our Audit Committee comprises four Independent Directors.

1. R. Ramakrishnan - Member
2. Rajesh Devarajan - Member
3. K. N. Narayanan - Member
4. Sucharitha P - Member

Quorum: The quorum of the meeting of the committee shall be either two members or one third of the total number of members of the Audit Committee whichever is higher.

Audit Committee Attendance for the Meetings held for the Financial year 2012-2013

Four Audit Committee meetings were held during the year. These were held on 11th September, 2012, 10th November, 2012, 11th February, 2013 and 14th May, 2013.

Members	No. of Meetings Attended
Mr. R. Ramakrishnan	3
Mr. K.N. Narayanan	4
Mr. Rajesh Devarajan	3
Ms. Sucharitha Parthasarathy	2



Share Transfer & Investors' Grievance Committee:

The Share Transfer & Investors' Grievance Committee comprises three Independent Directors.

1. R. Ramakrishnan - Member
2. K. N. Narayanan - Member
3. Sucharitha P - Member

The Company has appointed Ms. Rohini Ramanathan, as the Compliance Officer.

Quorum: The quorum of the meeting of the committee shall be either two members or one third of the total number of members of the committee whichever is higher.

Share Transfer and Investor Grievance Committee Attendance for the Meetings held for the Financial year 2012-2013

Four Share Transfer and Investors' Grievance Committee meetings were held during the year. These were held on 11th September, 2012, 10th November, 2012, 11th February, 2013 and 14th May, 2013.

Members	No. of Meetings Attended
Mr. R. Ramakrishnan	3
Mr. K. N. Narayanan	4
Ms. Sucharitha Parthasarathy	2

Remuneration Committee

The Remuneration Committee comprises two independent directors.

1. Mr. R. Ramakrishnan - Member
2. Mr. K.N. Narayanan - Member

The quorum of the meeting of the committee shall be two members.

Details of remuneration paid to the directors for the year ended 30th June, 2013

Executive Director

(Rs. in Lacs)

Name & Position	Salary
Mr. Vikram Mankal – Managing Director & C.E.O	24,00,000
Total	24,00,000

The Executive Director is paid remuneration as approved by the Board of Directors and the Shareholders and on the recommendation of the Remuneration Committee of the Board.

Non-Executive Directors

Remuneration by way of Sitting Fees is paid to all Non-executive Directors at Rs.5,000/- for attending each Meeting of the Board.

Particulars of Sitting Fees including for attending the Board /Committee Meeting paid to Non-Executive Directors during the financial year 2012-13 are as follows:-

Name	Sitting fees paid for Board meetings (Rs.)
R. Ramakrishnan	20,000
K.N. Narayanan	30,000
Sucharitha Parthasarathy	10,000
Rajesh Devarajan	25,000
Malka Komaraiah	-

3) CODE OF CONDUCT

The Board has laid down "Code of Conduct" (Code) for all the Board members and the Senior Management of the Company. A declaration to this effect signed by the Managing Director and C.E.O is forming part of the Corporate Governance Report.

4) SUBSIDIARY COMPANIES

The Company has five subsidiaries including step down subsidiaries for the year ended 30th June, 2013. The Company does not have any materially unlisted subsidiary for the year ended 30th June, 2013.

5) GENERAL BODY MEETINGS

The location and time where the last three Annual General Meeting held are given below:-

For the year ended	Venue	Day and Date	Time
30 th June, 2012	Bharatiya Vidya Bhavan (Mini Hall) East Mada Street, Mylapore, Chennai- 600 004	Wednesday, 12 th December, 2012	11.00 A.M.
30 th June, 2011	Bharatiya Vidya Bhavan (Mini Hall) East Mada Street, Mylapore, Chennai- 600 004	Wednesday, 14 th March, 2012	11.00 A.M
30 th June, 2010	Mini Hall, New Woodlands Hotel, 72-75 Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004	Saturday, 18 th December, 2010	11.00 A.M

Details of Special Resolution passed during the last three Annual General Meeting

Date of AGM	Whether any Special Resolution was passed	Particulars
14 th March, 2012	Yes	Appointment of Mr. Vikram Mankal as the Managing Director and C.E.O of the Company for a period of three years from 14 th February, 2012 to 13 th February, 2015 on a remuneration of Rs. 24,00,000 p.a under Section 269 read with Schedule XIII of the Companies Act, 1956
18 th December, 2010	Yes	Approval under Section 295 of the Companies Act, 1956 for giving loan for an amount of Rs. 50 crores to M/s Shriram Auto Finance

Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2012-13. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through Postal Ballot.

6) OTHER DISCLOSURES

- A Management Discussion and Analysis report highlighting individual businesses has been included in the Annual Report.
- There were no materially significant related party transactions, with Directors/Promoters/Management which had potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note 29 to the accounts in the Annual Report.
- The Managing Director and Chief Executive Officer (MD & C.E.O) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement pertaining to CEO/CFO certification for the Financial year ended 30th June, 2013.
- There were no instances of non compliance on any matter relating to capital market during the last three years.
- Details of information on appointment of new directors / re appointment of directors



A brief resume, nature of expertise in specific functional areas, number of equity shares held in the Company by the Director or by other person on a beneficial basis, names of companies in which the person already holds directorship, membership of committees of the Board and the relationship with other directors, forms part of the Notice convening the Twenty First Annual General Meeting.

7) RISK MANAGEMENT

The Company has laid down procedures to inform the Board Members about the Risk assessment and minimisation procedures, which is reviewed by the Board periodically.

8) COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for all the quarters including the quarter ended 30th June, 2013.

CS. R. Sridharan, of M/s R. Sridharan & Associates, Company Secretaries, Chennai has certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges. The said certificate is annexed to this Report.

The Ministry of Corporate Affairs, Government of India, has issued in December 2009 'Corporate Governance Voluntary Guidelines, 2009. While the Board welcomes the issue of these guidelines intended for better governance of corporates, introduction of the recommended measures will be considered carefully at the appropriate time.

9) MEANS OF COMMUNICATION

1. The Unaudited Standalone Quarterly Results are published in the pro forma prescribed by the Stock Exchanges, in English newspaper and Tamil newspaper in News Today and Malai Chudar.
2. The Annual Financial Results of the Company are also communicated in the prescribed pro forma to the Stock Exchanges and also published in the newspapers
3. The financial results of the Company are displayed on the Company's website – www.premierenergy.in

Management Discussion and Analysis

A Management Discussion and Analysis forms part of the Directors Report.

Green Initiative

In support of the Green Initiative undertaken by the Ministry of Corporate Affairs, the Company had during the previous year sent communication to all the shareholders of the Company requesting the shareholders to register their e-mail address with the company for supporting the Go Green initiative.

Your company strongly urges you to support the Green Initiative by giving positive consent by registering / updating your email addresses with the Depository Participants or the Registrar and Share Transfer Agents for receiving soft copies of various communications including Annual Reports.

GENERAL SHAREHOLDER INFORMATION**Registered Office**

Karunai Kudil, I Floor, No. 226, Cathedral Road, Chennai – 600 086.

Annual General Meeting

Day	Date	Time	Venue
Tuesday	31 st December, 2013	11.00 A.M.	Bharathiya Vidhya Bhavan (Mini Hall), II Floor, East Mada Street, Mylapore, Chennai - 600 004

Tentative Financial Calender

Annual General Meeting	
Financial reporting for the 01 st Quarter ending 30 th September, 2013	On or before 14 th November 2013
Financial reporting for the 02 nd Quarter ending 31 st December 2013	On or before 14 th February 2014
Financial reporting for the 03 rd Quarter ending 31 st March 2014	On or before 14 th May 2014
Financial reporting for the year ended 30 th June, 2014	On or before 30 th August 2014

Financial Year

The Financial year of the Company is 01st July – 30th June.

Book Closure

Saturday 28th December 2013 to Tuesday 31st December, 2013 (both days inclusive)

LISTING ON STOCK EXCHANGES AND STOCK CODE**Equity Shares**

STOCK EXCHANGES	STOCK CODE
The Bombay Stock Exchange Limited	533100

The Company's Equity shares are traded in Group 'B' category in the Bombay Stock Exchange Limited

The Company has paid the Annual Listing Fees for the Financial Year 2012 – 2013 to all the three Stock Exchanges where the shares of the Company is listed.

MARKET PRICE DATA

Month	Bombay Stock Exchange Limited (in Rs.)	
	High	Low
JULY – 2012	21.75	21.75
AUGUST - 2012	20.65	20.65
SEPTEMBER- 2012	18.65	17.25
OCTOBER - 2012	16.25	14.95
NOVEMBER- 2012	16.30	15.10
DECEMBER- 2012	14.70	14.05
JANUARY - 2013	17.30	15.80
FEBRUARY - 2013	14.20	12.05
MARCH - 2013	13.84	13.84
APRIL – 2013	14.22	14.22
MAY – 2013	16.25	15.15
JUNE - 2013	16.95	16.95



REGISTRAR AND SHARE TRANSFER AGENT

Members are requested to correspond with the Company's Registrar & Share Transfer Agent-

Cameo Corporate Services Limited

1, Subramanian Building, Club House Road,

CHENNAI 600 002

Tel: +91 044 - 2846 0084/0395

Fax: +91 044 - 28460129

Email: cameo@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R. D. Ramaswamy

SEBI Registration Number: INR000003753

REGISTRAR AND SHARE TRANSFER AGENT

Share Transfer and Investor Service System

A Committee of the Board constituted for the purpose, approves share transfers in the physical form and also in Electronic mode.

SHARE HOLDING PATTERN AS ON 30.06.2013		
Particulars	Shares	Percentage
Promoters	27116440	65.58
Foreign Institutional Investors	200	0.00
Mutual Fund	55900	0.14
Financial Institutions	0	0.00
Corporate Bodies	5631580	13.62
Foreign Corporate Bodies	0	0.00
Banks	400	0.00
Non-Resident Indian (Non Repat)	2200	0.01
Non-Resident Indian (Repat)	0	0.00
Clearing Member	1	0.00
Hindu Undivided Families	173058	0.41
Directors and their relatives	190500	0.46
Public	8179781	19.78
TOTAL	41350060	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 30TH JUNE, 2013

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 500	9985	90.89	1650196	16501960	3.99
501 - 1000	571	5.20	458583	4585830	1.11
1001 - 2000	202	1.84	307287	3072870	0.74
2001 - 3000	55	0.50	143565	1435650	0.35
3001 - 4000	32	0.29	116460	1164600	0.28
4001 - 5000	24	0.22	112932	1129320	0.27
5001 - 10000	45	0.40	322184	3221840	0.78
10001 - And Above	72	0.66	38238853	382388530	92.48
Total	10986	100.00	41350060	413500600	100.00

DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE: 30-JUNE-2013

SHAREHOLDING SUMMARY AS ON 30-JUNE -2013			
Category	No. of holders	Total Positions	% of Holdings
PHYSICAL	9326	5026709	12.16
NSDL	1129	35167850	85.05
CDSL	531	1155501	2.79
TOTAL	10986	41350060	100.00

The Company's Equity Shares are regularly traded on the Bombay Stock Exchange Limited.

Nomination facility

The shareholders may avail of the nomination facility under Section 109A of the Companies Act, 1956. The nomination form (Form 2B), along with instructions, will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the Company's Registrar M/s. Cameo Corporate Services Limited.

Dematerialisation of Shares

The shares of the Company are compulsorily traded in dematerialized form. The code number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) to Premier Energy and Infrastructure Limited is ISIN INE429K01012.

As per the Securities and Exchange Board of India (SEBI) Circular No: Cir/ISD/3/2011 dated June 17, 2011 on "trading rules and shareholding in dematerialized mode", all Listed Companies have to achieve 100% of their promoters and promoter group's holding in dematerialized form latest by December 2011. Accordingly all the promoters shares of your Company are held in electronic mode and as 30th June, 2013, and in total 87.84% of the Equity Shares of the Company were held in demat form.

Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, or any other query relating to shares, please write to:

Cameo Corporate Services Limited

1, Subramanian Building, Club House Road,
Chennai - 600 002
Tel: +91 044 - 2846 0084/0395
Fax: +91 044 - 28460129
Email: cameo@cameoindia.com
Website: www.cameoindia.com

Ms. Rohini Ramanathan

Company Secretary and Compliance Officer
Premier Energy and Infrastructure Limited,
Karunai Kudil, I Floor
No. 226, Cathedral Road
Chennai – 600 086
India
Tel: + 91 44 - 28110252
Email: cs@premierenergy.in
Website: www.premierenergy.in

Online Information

Shareholders are requested to visit www.premierenergy.in, the website of the Company for online information about the Company. The financial results, share price information, dividend announcements of the Company if any are posted on the website of the Company and are periodically updated with all developments. Besides this the shareholders have the facility to write any query at the e-mail ID of the Compliance officer at cs@premierenergy.in and the Company shall act on the same within the reasonable time on receipt of such query.



DECLARATION ON CODE OF CONDUCT

I, Vikram Mankal, Managing Director & C.E.O of Premier Energy and Infrastructure Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 (I) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended June 30, 2013.

For Premier Energy and Infrastructure Limited

Place : Chennai
Date : 6th September, 2013

VIKRAM MANKAL
Managing Director & C.E.O.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED

We have examined the compliance of conditions of Corporate Governance by Premier Energy and Infrastructure Limited, for the year ended on June 30, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 R. Sridharan & Associates
Company Secretaries

CS. R. SRIDHARAN
CP. No. 3239
FCS No. 4775

Place : Chennai
Date : 6th September, 2013

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Premier Energy and Infrastructure Limited** together with its subsidiaries ("the group"), which comprises the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Reference is invited to Note 28 detailing the receipt and payments of approximately. Rs.28 crores. In the absence of documentation/agreements we are unable to verify the nature of these transactions. Further, the company has not accrued fee income of Rs. 14 lacs on these transactions.

In the absence of confirmation of closing balances aggregating to Rs.16 crores of receivable, we are unable to confirm the recoverability and the consequent impact, which this may have, on the profit for the year and reserves, the effect of which is indeterminable.

Emphasis of Matter

We did not audit the financial statements of RCI Power Limited, RCI Power AP Limited, RCI 30 MW Private Limited and RCI 50 MW private Limited. These Financial Statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amount included in the Financial Statements is based solely on the reports of the other auditors. In respect of subsidiary EMAS Engineers and contractors Private Limited, in the absence of audited financial statements, the unaudited financial information has been used for consolidation purpose. The total assets of the company amounts to Rs.22192.83 lakhs, revenues amounts to 12886.05 lakhs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **subject to the possible effects of the matters disclosed in the Paragraph on "Basis for qualified Opinion" and the possible effects of the matters disclosed in the Paragraph on "Emphasis of Matter" and non-provision for gratuity by Subsidiary EMAS Engineers and Contractors Private limited as per requirements of AS 15 on Retirement Benefits as prescribed by the Institute of Chartered Accountants of India** the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) in the case of the Balance Sheet, of the state of affairs of the Group as at June 30, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The Company has applied for and awaits the approval of the Central Government as required under Section 295 of the Companies Act, for the loan amounting to Rs.18.92 crores given in the previous year to a partnership firm in which a Director of the Company is a partner.(Outstanding as of 30th June 2013 Nil. (Previous year- Nil).

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No : 003990S

S. PRASANA KUMAR

Place : Chennai
Date : 06.09.2013

Partner
M.No : 212354



Consolidated Balance Sheet as at June 30, 2013

(Amount in INR)

Particulars	Note No.	As at June 30, 2013	As at June 30, 2012
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	413,500,600	413,500,600
(b) Reserves and Surplus	3	1,500,126,068	1,425,489,901
(2) Non-Current Liabilities			
(a) Long-term Borrowings	4	356,766,113	290,020,329
(b) Deferred tax liabilities (Net)	5	4,164,299	3,531,882
(c) Long-term Provisions	6	539,057	393,952
(d) Minority interest		239,371,854	233,926,928
(3) Current Liabilities			
(a) Short-term Borrowings	7	848,024,897	638,536,164
(b) Trade payables	8	288,899,960	397,394,556
(c) Other current liabilities	9	874,228,643	1,153,438,945
(d) Short-term provisions	10	56,944,241	62,034,584
Total		<u>4,582,565,733</u>	<u>4,618,267,841</u>
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	980,778,418	1,015,155,410
(ii) Capital Work In progress		27,022,062	27,022,062
(b) Non-current investments	12	801,013,678	802,324,470
(c) Long term loans & advances		-	-
(d) Other non current assets	13	67,563,518	73,594,561
(2) Current assets			
(a) Current investments	14	-	452,432
(b) Inventories	15	1,414,083,970	1,224,383,121
(c) Trade receivables	16	322,556,407	307,466,510
(d) Cash and bank balances	17	40,899,264	31,005,964
(e) Short-term loans and advances	18	354,052,303	510,249,427
(f) Other current assets	19	574,596,113	626,613,880
Total		<u>4,582,565,733</u>	<u>4,618,267,841</u>
Statement of significant accounting policies	1		

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No : 003990S

S. Prasana Kumar
Partner
M. No : 212354

Place : Chennai
Date : 06.09.2013

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

Rohini Ramanathan
Company Secretary

Consolidated Statement of Profit & Loss for the year ended June 30, 2013

(Amount in INR)

Particulars	Note No.	For the Year ended June 30, 2013	For the year ended June 30, 2012
I. Revenue from operations	20	1,675,673,625	1,923,234,158
II. Other Income	21	52,027,032	16,686,206
III. Total Revenue (I +II)		<u>1,727,700,657</u>	<u>1,939,920,364</u>
IV. Expenses:			
Direct Expenses			
Cost of materials consumed	22	1,288,107,766	1,426,052,570
Indirect Expenses			
Employee benefit expenses	23	62,863,154	94,563,669
Selling, Administration & other expenses	24	83,027,270	142,930,435
Finance costs	25	140,161,806	145,565,815
Depreciation and amortization expense	11	34,290,366	52,833,378
Less : Withdrawal from Revaluation Reserve		—	(367,796)
		<u>34,290,366</u>	<u>52,465,582</u>
Total Expenses		<u>1,608,450,362</u>	<u>1,861,578,071</u>
V. Profit before tax		<u>119,250,296</u>	<u>78,342,293</u>
VI. Tax expense :			
(1) Current tax		38,000,000	32,190,673
(2) Previous years		536,784	10,779,683
(3) Deferred tax		632,418	(3,337,105)
VII. Profit/(Loss) for the year		80,081,094	38,709,042
Less: Minority interest		5,444,926	7,997,254
Add: Share of profit from investment in Associate		—	138,635,740
VIII. Profit/(Loss) for the period carried to Balance sheet		<u>74,636,167</u>	<u>169,347,528</u>
IX. Earning per equity share:			
Basic/Diluted	31	1.80	4.10
Statement of Significant Accounting Policies	1		

For and on behalf of

PKF Sridhar & SanthanamChartered Accountants
Firm Reg. No : 003990S**S. Prasana Kumar**

Partner

M. No : 212354

Place : Chennai

Date : 06.09.2013

For and on behalf of the Board of Directors

Vikram Mankal

Managing Director & CEO

K.N. Narayanan

Director

Rohini Ramanathan

Company Secretary



Consolidated Notes forming part of Financial Statements

Note 1 : Significant Accounting Policies

a) Basis of preparation of financial statements

The Consolidated financial statements of Premier Energy and Infrastructure Limited, its subsidiaries and associates ('The Group') have been prepared and presented under the historical cost convention (except where otherwise stated) on the accrual basis as a going concern in accordance with Generally Accepted Accounting Principles ('Indian GAAP'), Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, as applicable, and the relevant provisions of the Companies Act, 1956.

b) Principles of Consolidation:

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the company.

The consolidated financial statements have been prepared on the following basis:

- 1 The financial statements of the subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.
- 2 The consolidated financial statements include the share of profit / loss of associate companies, which are accounted for under "Equity Method" as per which the share of profit of the associate has been added to the cost of the investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- 3 The excess of the cost to the Group of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of the investment is in excess of cost of investment of the Group, it is recognized as 'Capital Reserve' and shown under the head, 'Reserves and Surplus', in the consolidated financial statements.
- 4 Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the date of investments.
- 5 On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on the disposal.
- 6 The accounting policies are disclosed separately for subsidiaries wherever they are different from the policy of Premier Energy & Infrastructure Limited.

c) Use of estimates

The preparation of financial statements is in conformity with Indian Generally Accepted Accounting Principles (GAAP) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period reported. Actual results could differ from these estimates.

d) Tangible fixed assets

- 1 Tangible Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present condition for intended use
- 2 Land of RCI Power Limited, RCI Power AP Limited and Emas Engineering and Contractors Private Limited are stated at revalued amount
- 3 Interest on borrowing specifically for the project is capitalised and added to the cost of fixed assets in RCI Power Limited.
- 4 In case of RCI Power Limited, Capital Work-in-Progress includes advances for capital expenditure. Expenses incurred for the project till the completion of project will be treated as Capital Work in Progress and when the project is commenced the expenses will be allocated in various assets.

e) Intangible assets

Goodwill on amalgamation has been fully amortised using Straight line method over a period of 5 years.

f) Impairment of assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

g) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased term are classified as operating leases.

In the case of EMAS Engineering and Contractors Private Limited, Operating Lease payments are recognized as an expense in Profit and Loss Account on a straight line basis over their term of the lease.

h) Depreciation

In Premier Energy and Infrastructure Limited depreciation is provided on Straight line basis method. RCI Power Ltd, RCI power AP Ltd and EMAS Engineers and contractors Private Limited, Depreciation is provided on Written Down Value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for Fixed Assets costing less than Rs 5,000/-, which are fully depreciated in the year of purchase.

Incremental Depreciation on account of enhancement in value of Fixed Assets due to revaluation is charged to Fixed Assets Revaluation Reserve.

Fixed Assets have been revalued for Emas Engineers and Contractors Private Limited and RCI Power Limited.

In Emas Engineering and Contractors Private Limited expenditure on improvements to leasehold premises is written off over a period of three years.

Notes forming part of Consolidated Financial Statements (continued)

i) Revenue recognition

- 1 On Construction Contracts:
 - Income from construction activity is recognised using the Percentage Of Completion method as per Accounting Standard AS 7(Revised)
 - Long Term Contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of each accounting period. Whereas, foreseeable losses are fully provided for in the respective accounting period. The percentage of work completed is determined by the expenditure incurred on the job till each review date to total expected expenditure of the job based on technical estimates
 - Additional Claims (including for escalation) , which in the opinion of the Management are recoverable on the contract , are recognised at the time of evaluating the job.
- 2 Revenue from Infrastructure Development is recognised on percentage completion method.
- 3 Dividend Income on Investments is accounted for when the right to receive the payment is established.
- 4 Interest on short term investments are recognised on time proportion basis taking into account the amounts invested and the rate of interest.
- 5 Profit / (Loss) on Sale of Current Investments, being the difference between the contracted rate and the cost (determined on weighted average basis) of the investments is recognised on sale.
- 6 Rental income is recognised on straight line basis over the primary period of the arrangement.
- 7 The income on sale of scrap is accounted at the time of realization of the same.

j) Investments

Long term Investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such Investments for each category. The Current Investments are valued at Cost and Fair value whichever is lower. Cost of Acquisition is inclusive of expenditure incidental to acquisition. Transfer of investments from current to long term is made at lower of cost or market value prevalent on the date of transfer.

k) Inventories

Inventories are valued at cost or net realizable value, whichever is lower.

The Stock of materials on hand and at site is valued at Cost or Net realizable value whichever is lower. Cost of purchase includes freight and other costs incurred.

Stock of Tools and Stores: The tools and stores are classified under current assets and written off over four years being the estimated life of the assets.

Work in progress (Emas Engineers and Contractors Private Limited) consists of:

- 1 Construction contracts which reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs and
- 2 Costs incurred during the period for future projects.

l) Cash and cash equivalents

Cash and cash equivalents consists of cash, balance in bank, fixed deposits maturing in less than three months.

m) Employee benefits

1 Short term employee benefits

All short term employee benefit plans such as salaries, wages, bonus, special awards, medical benefits and, leave salary which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the Statement of profit and loss.

2 Defined contribution plan

The Company had only 9 employees during the reporting period. Due to number of employees being lesser than threshold limit required for Provident & Pension Fund, the provisions for Provident Fund are not applicable.

There are no employees in RCI Power Ltd. , RCI Power (AP) Ltd , RCI Wind Farm 30 MW Private limited, RCI Wind Farm 50 MW Private limited . Hence Provision for provident fund and gratuity have not been made.

In EMAS, the Company's Contributions to Provident fund are charged to Profit and Loss account.

3 Defined benefit plan

Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to the Statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

Emas Engineering and Contractors Private Limited has not provided retirement benefits by way of Gratuity and Leave encashment and there are no liabilities accrued in the books as of year end.

n) Earnings per share

Basic earnings per share 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 equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Taxation

1 Income tax

Income tax expense comprises current tax for the year determined in accordance with the Income Tax Act, 1961.

2 Deferred tax

Deferred taxation is provided using the liability method in respect of the taxation effect originating from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to reverse in subsequent periods. The

Notes forming part of Consolidated Financial Statements (continued)

deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only when there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or, written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

3 Minimum alternate tax

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay Normal Income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India if it is recognized, by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet Date and writes down the Carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

p) Provision and contingencies

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate. All known liabilities wherever material are provided for. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

q) Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary Assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates as on that date.

r) Segment reporting

The Group has identified business segments viz. Infrastructure Development and Engineering as the primary segment. Revenues & expenses directly attributable to segments are reported under each reportable segment.

s) Borrowing Cost :

Borrowing costs are recognized in the financial statements in accordance with the Accounting Standards – 16 of Companies (Accounting Standards) Rules, 2006. Borrowing Costs that are attributable to the acquisition and constructions of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs of the year are charged to revenue in the period in which they are incurred.

Particulars	As at June 30, 2013	As at June 30, 2012
(Amount in INR)		
Note 2 : Share Capital		
Authorized Share Capital:		
44,150,000 (Previous Year 44,150,000) Equity shares of Rs.10 each	<u>441,500,000</u>	<u>441,500,000</u>
Issued, Subscribed and Fully Paid up:		
41,350,060 (Previous Year 41,350,060) Equity shares of Rs.10 each fully paid up	<u>413,500,600</u>	<u>413,500,600</u>
Total	<u>413,500,600</u>	<u>413,500,600</u>
Reconciliation of number of shares		
Number of equity shares at the beginning of the year	<u>41,350,060</u>	41,350,060
Add: Fresh Issue of shares	-	-
Number of equity shares at the end of the year	<u>41,350,060</u>	<u>41,350,060</u>

Details of share holders holding more than 5% of total shares

Name of the Shareholder	% of holding	As at June 30, 2013	% of holding	As at June 30, 2012
Shri Housing Pvt Ltd	32.08%	13,266,380	32.08%	13,266,380
Vidya Narayanamurthy (On behalf of Shriram Auto Finance)	25.12%	10,387,545	25.12%	10,387,545
Vatsala Ranganathan (On behalf of Shriram Auto Finance)	8.37%	3,462,515	8.37%	3,462,515
Vaata Infra Pvt Ltd	9.67%	4,000,000	9.67%	4,000,000

Notes forming part of Consolidated Financial Statements (continued)

Particulars	(Amount in INR)	
	As at June 30, 2013	As at June 30, 2012
Note 3 : Reserves and Surplus		
Capital reserve		
Arising on merger of entities into the Company	146,827,447	146,827,447
Capital reserve on consolidation	17,254,626	17,254,626
Closing balance	<u>164,082,073</u>	<u>164,082,073</u>
Securities premium		
Opening balance	950,864,127	950,864,127
Add: Addition / (reduction)	-	-
Closing balance	<u>950,864,127</u>	<u>950,864,127</u>
Revaluation reserve		
Opening balance	-	17,651,343
Add: On revaluation of fixed assets	-	-
Less: Incremental depreciation withdrawn for the year on revaluation	-	(367,796)
Less: Loss on revalued asset sold	-	(5,490,790)
Less: Transfer to General Reserve (for asset sold)	-	(11,792,757)
Closing balance	<u>-</u>	<u>-</u>
General reserve		
Opening balance	12,880,424	1,087,667
Add: Transfer from reavluation reserve on sale of asset	-	11,792,757
Closing balance	<u>12,880,424</u>	<u>12,880,424</u>
Surplus from Profit & Loss account		
Opening balance	297,663,277	128,315,749
Add: Current year surplus	74,636,167	169,347,528
Closing balance	<u>372,299,445</u>	<u>297,663,277</u>
Total	<u><u>1,500,126,068</u></u>	<u><u>1,425,489,901</u></u>

Note 4 : Long Term Borrowings

Loan from other group companies	353,966,113	276,800,225
Lease deposit from Shriram EPC	2,800,000	2,800,000
Secured loans		
Term loans from Banks - State Bank of Travancore (Repayable in 5 instalments and carries an average interest of 16%)	-	10,420,104
Total	<u><u>356,766,113</u></u>	<u><u>290,020,329</u></u>

Note:

- a) Term loan with State Bank of Travancore is secured by first charge on specific fixed assets of the company together with collateral security by way of second charge on the current assets, immovable properties and other fixed assets of the company charged to the working capital lenders.
- b) State bank of Travancore term loan - Principal amount of Rs.1,09,00,000 and interest of Rs.24,95,795 is overdue and unpaid as on June 30, 2012.
- c) Car loan facility with Federal Bank Limited is secured by way of hypothecation of the vehicle acquired under the car loan and an amount of Rs.46,511 is overdue and unpaid as on June 30, 2012.



Notes forming part of Consolidated Financial Statements (continued)

Particulars	(Amount in INR)	
	As at June 30, 2013	As at June 30, 2012
Note 5 : Deferred Tax Liability		
Opening liability	3,531,882	6,162,250
Add: Current year provision	632,417	(2,630,368)
Closing Deferred Tax Liability	<u>4,164,299</u>	<u>3,531,882</u>
Break of Closing Liability		
Timing difference in claiming		
Depreciation allowance	3,751,038	6,272,459
Others	413,261	(2,660,490)
Expenses claimed on payment basis	-	(80,087)
Total	<u>4,164,299</u>	<u>3,531,882</u>
Note 6 : Long Term Provisions		
Provision for Gratuity (Refer Note 39)	539,057	393,952
Total	<u>539,057</u>	<u>393,952</u>
Note 7 : Short Term Borrowings		
Secured loans		
Loan from Banks	848,024,897	638,536,164
Total	<u>848,024,897</u>	<u>638,536,164</u>
Note:		
1) Cash credit facilities with State Bank of Travancore and Federal Bank Limited are secured by way of first charge on entire current assets on first paripassu in favour of State Bank of Tavancore, together with collateral security by way of first charge on entire unencumbered fixed assets of the company.		
2) Letter of credit facilities with State Bank of Travancore and Federal Bank Limited are secured by way of LC application cum indemnity letter duly signed by the company, hypothecation of goods purchased under LC to the bank exclusively, together with collateral security by way of pari passu first charge on the unencumbered fixed assets and pari passu second charge on the specific fixed assets with the bank in consortium.		
Note 8 : Trade Payables		
Sundry Creditors		
Due to Micro Enterprises and Small Enterprises*	-	-
Due to others	288,899,960	397,394,556
Total	<u>288,899,960</u>	<u>397,394,556</u>
* Refer Note 41		
Note 9 : Other Current Liabilities		
Current Maturities of Long Term Debt	10,416,746	57,307,998
Salaries Payable	5,048,897	7,666,771
Leave salary payable	1,375,465	945,509
Statutory Liabilities	4,887,260	1,930,785
Creditors pursuant to scheme of arrangement	5,600,000	53,247,005
Liability for other expenses	6,695,686	7,245,419
Advances from customers	790,215,030	979,000,222
Retention payable	49,989,559	46,095,235
Total	<u>874,228,643</u>	<u>1,153,438,945</u>

Notes forming part of Consolidated Financial Statements (continued)

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2013
Note 10 : Short Term Provisions		
Provision for income tax (Net of advance tax)	56,944,241	62,034,584
Total	56,944,241	62,034,584

Note 11 : Fixed Assets

Asset	Gross Block			Depreciation			Net Block			
	Opening balance as on 01-07-12	Additions	Deletions	Closing balance as on 30-06-13	Opening balance as on 01-07-12	Additions	Deletions	Closing balance as on 30-06-13	As at 30 th June 2013	As at 30 th June 2012
Tangible asset										
Land & Building	698,770,000	-	-	698,770,000	-	-	-	-	698,770,000	698,770,000
Lease hold land	74,831,750	-	-	74,831,750	-	-	-	-	74,831,750	74,831,750
Interior decoration	4,493,496	-	-	4,493,496	4,236,613	85,619	-	4,322,232	171,264	256,883
Plant & Equipments	489,906,753	6,775	93,401	489,820,127	256,800,830	32,430,149	-	289,230,979	200,589,148	233,105,923
Vehicles	11,656,132	-	-	11,656,132	8,405,687	811,982	-	9,217,669	2,438,463	3,250,445
Computer and accessories	7,483,288	-	-	7,483,288	6,647,585	334,281	-	6,981,866	501,422	835,703
Office equipment	7,400,323	-	-	7,400,323	4,691,165	376,844	-	5,068,009	2,332,314	2,709,158
Furniture & Fixtures	4,920,760	-	-	4,920,760	3,551,563	247,825	-	3,799,388	1,121,372	1,369,197
Met Mast	175,000	-	-	175,000	148,649	3,665	-	152,314	22,686	26,351
Capital Work in Progres	27,022,062	-	-	27,022,062	-	-	-	-	27,022,062	27,022,062
Intangible asset										
Goodwill	3,787,404	-	-	3,787,404	3,787,404	-	-	3,787,404	-	-
Total	1,330,446,968	6,775	93,401	1,330,360,342	288,269,496	34,290,366	-	322,559,862	1,007,800,480	1,042,177,472

Note 12 : Non current investments**Trade****Shares - Not quoted (at cost, fully paid)****In Subsidiaries**

Emas Engineers & Contractors Pvt Ltd - 6,024,050 equity shares of Rs. 10/- each (Previous year 6,024,050)	-	-
RCI Power Limited- 14,913,500 equity shares of Rs 10/- each (Previous year 14,913,500)	-	-
RCI Power APLimited- 49,994 equity shares of Rs 10/- each (Previous Year 49,994)	-	-
RCI Wind Farm 30 MW Pvt Ltd- 10,000 equity shares of Rs.10 each (Previous year 10,000)	-	-
RCI Wind Farm 50 MW Pvt Ltd - 10,000 equity shares of Rs.10 each (Previous year 10,000)	-	-
	-	-
	-	-

In Others

Haldia Coke & Chemicals Limited- 13,750,000 shares of Rs10 each (Previous year 13,750,000)	527,587,500	527,587,500
Add: Share of profits	224,973,652	224,973,652
	752,561,152	752,561,152

(Non Trade)

Investment in equity instruments	-	-
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Notes forming part of Consolidated Financial Statements (continued)

Particulars	(Amount in INR)	
	As at June 30, 2013	As at June 30, 2012
Long Term Investments:		
(At cost, fully paid)		
Shares - Quoted (Fully paid)		
Ennore Coke Limited - 575,430 equity shares of Rs 10/- each (Previous Year 575,430)	48,452,526	48,452,526
Orient Green Power Ltd 45,100 equity shares of Rs. 10/- each (Previous Year 45,100)	-	1,334,836
Less: Diminution in Value of Investment for Orient Green Power Ltd	-	(24,043)
	-	1,310,793
	<u>48,452,526</u>	<u>49,763,318</u>
Total	<u>801,013,678</u>	<u>802,324,470</u>
Market value of quoted instruments	<u>10,875,627</u>	<u>13,630,678</u>
Total	<u>-</u>	<u>-</u>

Note 13

Other non current assets

Unsecured, considered good, unless otherwise stated

Long Term Trade Receivables

Deposits	1,800,000	28,125,033
Others	21,239,841	10,837,023
	44,523,677	34,632,505
Total	<u>67,563,518</u>	<u>73,594,561</u>

Note 14 : Current investments

(At Lower of Cost and Fair Value)

Shares - Quoted (Fully paid)

3i Infotech Limited - Nil equity shares of Rs 10/- each (Previous Year 1,000)	-	9,830
Assam Company Ltd- Nil equity shares of Rs.10/- each (Previous year - 1,000)	-	6,270
BGR Energy Systems Ltd - Nil equity shares of Rs. 10/- each (Previous year 200)	-	60,400
Bilcare Ltd - Nil equity shares of Rs. 10 each (Previous year 700)	-	105,875
Century Textiles Ltd - Nil equity shares of Rs.10 each (Previous Year 750)	-	231,787
Rural Electrification Corpn Ltd- Nil equity shares of Rs. 10/- each (Previous year - 200)	-	38,270
	-	452,432

Note 15 : Inventories

(At lower of cost and net realizable value)

Raw materials	80,883,162	61,794,487
Work In progress *	1,332,612,452	1,016,916,321
Traded land (Refer Note 24 (i)(d))	-	145,672,313
Other traded goods	588,356	-
Total	<u>1,414,083,970</u>	<u>1,224,383,121</u>

* Work in progress includes unbilled revenue amounting to Rs. 1,014,817,044 (Previous year: Rs. 844,451,730) reflecting the value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs as per Accounting standard AS 7 (Revised). Work in progress also includes cost incurred during the year for future projects amounting to Rs. 2,099,277

Notes forming part of Consolidated Financial Statements *(continued)*

Particulars	(Amount in INR)	
	As at June 30, 2013	As at June 30, 2012
Note 16 : Trade Receivables		
Unsecured, considered good	-	-
Outstanding for more than 6 months from due date	-	-
Others	322,556,407	307,466,510
Total	<u>322,556,407</u>	<u>307,466,510</u>
Note 17: Cash and bank balances		
Cash & Cash equivalents		
Cash in hand	1,610,163	1,748,098
Balance with banks		
- in current account	4,000,886	2,002,004
- Deposits	426,156	2,426,156
- Margin money	34,862,059	24,829,706
Total	<u>40,899,264</u>	<u>31,005,964</u>
Note 18 : Short Term Loans and Advances		
(Unsecured considered good)		
Advance to supplier	204,235,492	352,599,944
Advance to subsidiary	-	-
Advance to related parties	57,010,777	28,784,112
Advance to employees	33,881,939	34,185,043
Rent Advance	3,000,000	-
Others	55,731,023	94,500,222
Prepaid expenses	193,072	180,106
Total	<u>354,052,303</u>	<u>510,249,427</u>
Note 19: Other Current Assets		
(Unsecured considered good)		
Advance Tax paid and Tax Deducted at source	85,774	85,774
Unbilled revenue	422,649,896	409,097,182
Service Tax input credit	-	465,266
Retention receivable	123,687,356	175,758,929
Deposits	12,943,197	1,486,570
Other Current Assets	15,160,663	39,695,023
Interest accrued but not due	69,227	25,136
Total	<u>574,596,113</u>	<u>626,613,880</u>



Notes forming part of Consolidated Financial Statements (continued)

Particulars	(Amount in INR)	
	For the year ended June 30, 2013	For the year ended June 30, 2012
Note 20 : Revenue From Operations		
Development of infrastructure for power projects	188,361,547	543,741,256
Sale of traded land	195,672,313	–
Sale of traded goods	1,357,200	–
Revenue From Operations *	1,284,402,565	1,379,492,902
Service Income	5,880,000	–
Total	<u>1,675,673,625</u>	<u>1,923,234,158</u>
* The above contract receipts exclude value of materials supplied by customers, unless they form part of contracts. The value of such materials supplied directly by the customers to the projects during the period and which do not form part of the contract value is stated to be Rs.1,152,345,326. This value is based on certification by management.		
Note 21: Other Income		
Write back of unclaimed balances in creditors pursuant to scheme of arrangement	47,647,005	–
Dividend Income	7,475	12,925
Interest on deposits	4,372,552	8,749,749
Insurance Claims received	–	3,350,250
Sale of Scraps	–	14,760
Sundry Balances Written back	–	383,690
Net gain on sale of current and non current investment	–	1,669,271
Rent Receipt	–	2,343,401
Provision no longer required on investments	–	–
Others	–	162,160
Total	<u>52,027,032</u>	<u>16,686,206</u>
Note 22: Direct Expenses		
Project expenses for development of infrastructure for power projects	158,930,176	448,818,418
Consumption of materials	596,430,449	301,471,417
Labour charges	378,928,572	648,998,406
Cost of traded land	145,672,313	–
Cost of traded goods	1,186,939	–
Hire charges	6,959,317	26,764,329
Total	<u>1,288,107,766</u>	<u>1,426,052,570</u>
Note 23 : Employee benefit expense		
Salaries & Wages	57,540,387	86,922,360
Contribution to PF & ESI	2,980,536	3,015,252
Leave Encashment	429,956	444,910
Bonus	510,000	510,000
Gratuity	145,105	134,770
Leave Travel Allowance	135,000	138,500
Medical	357,659	282,781
Welfare expenses	764,511	3,115,096
Total	<u>62,863,154</u>	<u>94,563,669</u>

Notes forming part of Consolidated Financial Statements *(continued)*

Particulars	(Amount in INR)	
	For the year ended June 30, 2013	For the year ended June 30, 2012
Note 24 : Selling, Administration & other expenses		
Advertisement	465,966	1,499,836
Legal expenses	4,863,178	5,257,381
Professional charges	4,041,919	3,413,515
Office Rent	11,379,671	17,960,672
Business promotion	562,155	1,623,345
Consumables	342,548	1,313,311
Electricity	1,891,848	2,996,953
Rates and taxes, excluding, taxes on income	18,598,437	34,369,095
Repairs & Maintenance		
- Buildings	2,006,988	6,234,016
- Vehicles	201,993	159,533
- Office equipments	28,500	30,349
- Others	3,400,080	5,562,053
Insurance	2,686,353	5,228,176
Freight & Forwarding Charges	-	624,303
Fuel expenses	806,304	1,908,563
Hire charges	-	1,137,099
Postage & Courier	38,566	53,385
Donations	16,000	827,000
Discount	-	243,327
Printing & Stationery	677,991	1,422,917
Communication expenses	1,920,009	3,275,405
Travelling & conveyance expenses	3,663,178	6,631,553
Transportation	6,566,673	13,496,439
Listing & Depository Fees	258,214	159,793
Training Expenses	-	73,350
Sitting fees to Directors	85,000	90,000
Auditors remuneration	2,988,320	2,990,643
Brokerage	-	857,858
Provision for Diminution in Value of Investments	-	-
Loss on Sale of Investments	729,990	-
Miscellaneous Expenses	8,359,407	1,809,422
Preliminary expenses written off	32,000	25,500
Bad debts written off	-	3,304,769
Other administrative expenses	6,415,982	18,350,874
Total	83,027,270	142,930,435

Notes forming part of Consolidated Financial Statements (continued)

(Amount in INR)

Particulars	For the year ended June 30, 2013	For the year ended June 30, 2012
Note 25 : Finance costs		
Interest on loans	340,891	–
Interest on term loans	7,109,695	15,996,969
Interest on Cash Credit	99,287,086	95,303,082
Interest to Banks - Others	29,145,267	33,783,837
Interest on Hire Purchase	–	26,863
Interest on Statutory Dues	2,772,530	58,587
Finance Charges	1,298,090	384,507
Bank charges	208,247	11,970
Total	140,161,806	145,565,815

Note 26 : Particulars of Subsidiaries & Associates:

Name of the Company	Country of incorporation	Percentage of voting power
Emas Engineering and Contractors Private Limited	India	50.1%
RCI Power Limited	India	100%
RCI Power AP Limited	India	100%
RCI Wind Farm 30 MW Private Limited	India	100%
RCI Wind Farm 50 MW Private Limited	India	100%

Note 27 : Contribution of Subsidiaries During the year is as under:

(Rs. In Million)

Name of the Company	Revenue	Net Profit	Net Assets
EMAS Engineers & Constructions Limited	1,288.61	5.47	23,352.17
RCI Power Limited	NIL	NIL	612.45
RCI Power AP Limited	NIL	(0.02)	78.73
RCI 30 MW Private Limited	NIL	(0.07)	0.08
RCI 50 MW Private Limited	NIL	(0.07)	0.07

Note 28 : The Company had during the year received approximately Rs.28 crores from various parties for onward remittances to other parties who have no commercial connections with the company. These are in the nature of facilitating transactions for a fee. The balances in these accounts have been treated as receivables /payables from / to these companies. The fee income on these transactions will be accounted on the closure of these transactions.

The receipts and payments also include cases where receipts and payments from/ to a party have been treated as a settlement of payables/ receivables of another party based on mutual understanding.

We had obtained confirmation of balances from the above mentioned parties. The management is confident of recovering the receivables stated in the accounts.

Note 29 : Capital Commitment

Particulars	(In Rs.) 30-Jun-13	(In Rs.) 30-Jun-12
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1,061,200,000	NIL

Notes forming part of Consolidated Financial Statements (continued)

Note 30 : Contingent Liabilities

- a) HUDCO has filed a case against the company for recovery of Rs 21,251,770 (Previous year 21,251,770) as against Rs 5,600,000 (Previous year Rs. 5,600,000) payable by the Company as per the Scheme sanctioned by Hon'ble High Court of Madras vide CP 367/2003. The company has won the case at the DRT, Chennai. Matter is now sub judice before DRAT Chennai
- b) The Company has entered into agreement with OGPL and its associates or subsidiaries to erect and commission wind power projects at Tadipatri. The Company executes this through Vaata Infra Private Limited. The Company has not provided for Works contract tax on the said transaction.
- c) The land at Luz Church Road purchased during the year 2007-08 (in joint name with another company) has not been registered. Liability of registration charges for land amount indeterminate.
- d) The company has given the Luz Church Road land as security for a loan of Rs. 120,000,000 availed by subsidiary company M/s Emas Engineers & Contractors Pvt Ltd.
- e) The Company had acquired land for development from M/s Amrit Technologies Private Limited at Rs. 145,672,313 and a sum of Rs.48,071,313 is still due to them . Subsequently the Company has sold the land to Beta Wind Farms Limited for Rs.195,672,313 and Rs.48,071,313 crores will be remitted directly to Amrit Technologies Private Limited. The purchase and Sale are not registered. Liability of registration charges for land amount indeterminate.
- f) For Emas Engineering and Contractors Private Limited
 - 1) Bank Guarantees Outstanding 222,606,120
 - 2) Income Tax Disputed under appeal 2,567,700
 - 3) VAT Disputed and under appeal 5,959,320

Note 31 : Earnings per share

Particulars	30-Jun-13	30-Jun-12
Net profit/Loss attributable to shareholders	74,636,167	169,347,528
Basic and diluted weighted average no. of equity shares issued	41,350,060	41,350,060
Earnings per share of Rs.10 each - basic and diluted	1.80	4.1

Note 32 : Scheme of arrangement

Company has a liability of Rs.4,76,47,005 under scheme of arrangement during FY 2007, which has not been claimed by the parties. The liability has been written back to statement of Profit and loss during the current financial year. This will be paid as and when claimed by the parties.

Notes forming part of Consolidated Financial Statements (continued)

Note 33 : Segment Reporting

The group has identified business segments as the primary segment. Revenues and Expenses directly attributable to segments are reported under each reportable segment.

(Amounts in Rs. millions)

Particulars	As at June 30, 2013			As at June 30, 2012		
	Infrastructure Development	Engineering & construction	Total	Infrastructure Development	Engineering & construction	Total
Revenue	439.69	1,288.605	1,728	548	1,392	1,940
Direct expenses	305.79	982	1,288	449	977	1,426
Un-allocable expenses			321			436
Profit before taxes			119			78
Exceptional items			–			–
Taxes			39			40
Profit before minority interest and share of profit/ (loss) of associate			80			39
Minority interest			5			8
Share of profit / (loss) of associate			–			139
Net profit for the year			75			169

Segment Assets & Liabilities

(Amount in Rs. Lacs)

	Infrastructure Development	Engineering & construction	Total	Infrastructure Development	Engineering & construction	Total
Assets	22,473.5	23,352	45,826	2,425	2,193	4,618
Liabilities	674.9	1,754.7	2,430	947	1,599	2,545

Note 34 : Impairment of Assets

There is no impairment of cash generating assets during the year in terms of Accounting Standards (AS-28) "Impairment of Assets"

Note 35 : Impact on Statement of Profit and Loss of previous year

The Consolidated Financial Statements has been recast taking into consideration, the audited financials of subsidiary Emas Engineering and Contractors Private Limited. The difference arising between audited and unaudited financial statements pertaining to previous year in excess of 10% are given below.

Impact on Profit and loss	Consolidation			Emas Engineers and Contractors Private Limited		
	June 12 in June 13	June 12 in June 12	Difference	June 12 in June 13	June 12 in June 12	Difference
Revenue	1,940	1,631	310	1,392	1,082	310
Expenses	1,862	1,554	310	1,379	1,071	308

Changes in computation as per AS 7 for revenue recognition due to certain cost escalation in the estimates.

Notes forming part of Consolidated Financial Statements (continued)

Note 36 : Related party disclosures

List of related parties and the relationship.

(a) Ultimate Controlling entity	Shriram Auto Finance (Partnership firm)*
(b) Subsidiaries	Emas Engineers & Contractors Pvt Ltd. RCI Power Ltd. RCI Power (AP) Ltd.
(c) Step down subsidiaries	RCI Wind Farm 30 MW Pvt. Ltd. RCI Wind Farm 50 MW Pvt. Ltd.
(d) Fellow subsidiary	Shri Housing Pvt. Ltd.
(e) Entities with common director	Vaata Infra Limited S R Fabricators Pvt. Ltd. Haldia Coke & Chemicals Pvt. Ltd. (ceased to be an associate during the reporting period consequent to changes in Composition of its Board of Directors) Ennore Coke Limited
(f) Key management personnel	
Managing Director of Premier Energy and Infrastructure Limited	Vikram Mankal
Managing Director of Emas Engineers and Contractors Private Limited	S.Srinivasan

Note:

* Consequent to the merger of M/s Valagam Power Projects Pvt. Limited and M/s Black Gold Chemicals Private Limited with the Company with effect from 1st July 2010, the Company has ceased to be a subsidiary of Shri Housing Private Limited and here after shri Housing Private Limited holds 32.08% and Shriram Auto Finance (the 100% owner of Shri Housing Private Limited) holds 33.49% in the capital.

The related parties have been identified on the basis of the requirements of the Accounting Standards 18 'Related Party Disclosures' under the Companies (Accounting Standards) Rules, 2006, by the management and the same have been relied upon by the auditors.

Transactions with related parties during the year :

(IN INR)

Description	Name of the related party	Relationship	As at June 30,2013	As at June 30,2012
Purchase of Materials	Vaata Infra Ltd	Common Director	155,188,358	128,818,418
Purchase of Fixed Assets	Haldia Coke & Chemicals Pvt Ltd	Associate	6,775	-

Loans and advances given to/taken from related parties

(IN INR)

Party	Relationship	Opening balance as at June 30,2012	Received during the year	Paid during the year	Closing Balance as at June 30,2013
Shriram Auto Finance	Ultimate Controlling Entity	-	3,900,000	3,900,000	-
Shri Housing Pvt Ltd	Fellow Subsidiary	-2,512	-	13,874,697	13,872,185
Haldia Coke & Chemicals Private Ltd	Common Director	-130,345	-	-	-130,345
S R Fabricators Pvt Ltd	Common Director	4,350,000	4,350,000	-	-

Notes forming part of Consolidated Financial Statements *(continued)*

Loans and advances given to/taken from related parties - Emas Engineers and Contractors Private Limited

(IN INR)

Party	Relationship	Opening balance as at June 30, 2012	Received during the year	Paid during the year	Closing Balance as at June 30, 2013
Ennore Coke Limited	Common Director	-33,458,082	4,500,000	-	-37,958,082
Haldia Coke & Chemicals Private Ltd	Common Director	-242,442,143	-	-	-242,442,143
Shriram Auto Finance	Ultimate Controlling	28,784,112	102,450,000	1,000,000	-72,665,888

Note 37 : Derivatives and foreign currency exposure

The Company has not entered into any derivative contracts during the year under review and also does not have any foreign currency exposure as at June 30, 2013.

Note 38 : Foreign currency transactions

There are no inflows in foreign currency during the financial year 2012-2013 and during the previous financial year 2011-2012 Expenditure in Foreign Currency on account of Foreign Travel – Rs.11,50,227 (Previous Year: 20,57,343-)

Note 39 : Employee benefits: Gratuity:

(IN INR)

S. No.	Particulars	As at 30 th June 2013	As at 30 th June 2012
A	Net asset/ (liability) recognized in the balance Sheet.		
	Present value of funded obligation	(539,057)	(393,952)
	Fair value of plan assets	-	-
	(Deficit) / surplus	-	-
	Present value of unfunded obligation	-	-
	Unrecognised past service cost	-	-
	Net asset / liability		
	- Assets	-	-
	- Liability	(539,057)	(393,952)
B	Expense recognized in the Profit & loss account.		
	Current service cost	187,962	150,190
	Interest cost	33,486	22,030
	Expected return on plan assets	-	-
	Actuarial (gains) / losses	(76,343)	(37,450)
	Past service cost	-	-
	Adjustments made in the Current period	-	-
	Total expense	145,105	134,770

(IN INR)

S. No.	Particulars	As at 30 th June 2013	As at 30 th June 2012
C	Change in present value of obligation during the year		
	Present value of defined benefit obligation as at the Beginning of the year	393,952	259,182
	Adjustment to opening balance	–	–
	Current service cost	187,962	150,190
	Interest cost	33,486	22,030
	Past service cost	–	–
	Actuarial (gains) /losses	(76,343)	(37,450)
	Benefits paid	–	–
	Present value of defined benefit obligation as at the end of the year	–	–
	Accrued Liability as at the end of the period	539,057	393,952
	Principal actuarial assumptions :		
	Discount rate.	8.50%	8.50%
	Mortality	LIC (1994-96) Ultimate Mortality Tables	LIC (1994-96) Ultimate Mortality Tables
	Resignation rate per annum	0.00%	0.00%
	Salary Escalation per annum	10.00%	10.00%

Note 40 : Disclosure as per Clause 32 of Listing agreement

(Loans & Advances to Subsidiaries, Associates & Others) – Refer Note 36 above. – NIL

Note 41 : Micro, Small and Medium Enterprises

The company has not received any intimation on any of its suppliers regarding their registration under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly there are no identified Micro, Small and Medium Enterprises vendors to the company.

Note 42 : Previous year figures

Previous year figures have been regrouped / rearranged wherever necessary to conform to current year classification.

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No : 003990S

S. Prasana Kumar
Partner
M. No : 212354

Place : Chennai
Date : 06.09.2013

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

Rohini Ramanathan
Company Secretary



Consolidated Cash Flow Statement

(Amount in INR)

Particulars	For the year ended June 30, 2013	For the year ended June 30, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	119,250,296	78,342,293
Profit before tax from discontinuing operations		
Profit before tax	<u>119,250,296</u>	<u>78,342,293</u>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / Amortization	34,290,366	52,465,582
Interest Expense	140,161,806	145,565,815
Provision for Gratuity	145,105	134,770
Interest income	(4,372,552)	(15,016,935)
Dividend From Investments	(7,475)	-
Profit from sale of investments	-	(1,669,271)
Diminution in Value of Investment	729,990	-
Profit on sale of fixed assets		
Operating Profit before working capital changes	290,197,536	259,822,254
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	(108,494,596)	(162,058,507)
Increase/ (Decrease) in Other current liabilities	(279,210,302)	381,827,046
Increase/ (Decrease) in Short Term Provisions	-	-
Increase/ (Decrease) in long term loans & advances	(73,570,061)	
Decrease/ (Increase) in Trade Receivables	(15,089,897)	68,190,024
Decrease/ (Increase) in Inventories	(189,700,849)	(316,459,163)
Decrease/ (Increase) in Short Term Loans & Advances	156,197,125	83,386,481
Decrease/ (Increase) in Other Current Assets	52,017,767	(604,792,088)
Decrease/ (Increase) in Non Other Current Assets	6,031,043	-
Cash Generated from/ (used in) operations	(88,052,173)	(363,654,014)
Direct Taxes Paid (Net of Refunds)	(43,627,127)	(76,417,773)
Net Cash Flow From/ (Used in) operating Activities	(A) (131,679,300)	(440,071,787)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP	(6,775)	(36,117,356)
Sale of Fixed Assets	93,401	38,519,703
Purchase of Investments	-	-
Effect of recasting Subsidiary EMAS accounts(Period difference)	(902,504)	
Sale of Investments	1,033,236	96,415,132
Dividend from Investments	7,475	-
Interest Received	4,372,552	15,016,935
Net Cash Flow From/ (Used in) Investing Activities	(B) 5,499,889	112,931,910

Consolidated Cash Flow Statement (Contd.)

Particulars	(Amount in INR)	
	For the year ended June 30, 2013	For the year ended June 30, 2012
CASH FLOW FROM FINANCING ACTIVITIES		
Preliminary & Incorporation expenses	-	-
Increase in share capital & premium	-	-
Proceeds/ (Repayments) from Long-term borrowings	66,745,784	151,253,553
Proceeds/ (Repayments) from short-term borrowings	209,488,733	215,127,773
Interest Paid	(140,161,806)	(145,565,815)
Net Cash Flow From/ (Used in) Financing Activities	(C)	136,072,711
Net Increase/ (decrease) in cash and cash equivalents	(A+B+C)	9,893,300
Cash and Cash equivalents at the beginning of the year	31,005,964	137,330,330
Cash and Cash equivalents at the end of the year	40,899,264	31,005,964
NOTE:		
Cash and Cash equivalents as per Balance Sheet	40,899,264	31,005,964
Cash and Cash equivalents as Cash Flow Statement	40,899,264	31,005,964

For and on behalf of the Board

This is the Cash Flow statement referred to in our report

PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No : 003990S

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Prasana Kumar
Partner
M. No : 212354

Rohini Ramanathan
Company Secretary

Place : Chennai
Date : 06.09.2013

AUDITOR'S REPORT

We have examined the attached Cash Flow Statement of Premier Energy and Infrastructure Limited for the year ended 30th June 2013. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company by our Report dated 31st September 2013 to the Members of the Company.

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No: 003990S

S. Prasana Kumar
Partner

Place : Chennai
Date : 06.09.2013

M. No : 212354



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Premier Energy and Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Reference is invited to Note 28 detailing the receipt and payments of approximately Rs 28 crores. In the absence of documentation/agreements we are unable to verify the nature of these transactions. Further, the company has not accrued fee income of Rs 14 lacs on these transactions.

In the absence of confirmation of closing balances aggregating to Rs.16 crores of receivable we are unable to confirm the recoverability and the consequent impact, which this may have, on the profit for the year and reserves, the effect of which is indeterminable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **subject to the matter discussed in the Paragraph on "Basis for qualified Opinion"** the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) 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;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) ***The Company has applied for and awaits the approval of the Central Government as***

required under Section 295 of the Companies Act, for the loan amounting to Rs.18.92 crores given in the previous year to a partnership firm in which a Director of the Company is a partner. (Outstanding as of 30th June 2013 Nil. (Previous year-Nil).

For **PKF Sridhar & Santhanam**
Chartered Accountants
Firm Registration No : 003990S

S. PRASANA KUMAR
Partner
M.No : 212354

Place : Chennai
Date : 06.09.2013



**Annexure referred to in the Independent Auditors' Report
to the Member of PREMIER ENERGY AND INFRASTRUCTURE LIMITED
on the Accounts for the year ended 30th June 2013**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular program of verifying fixed assets every year which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. All Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The fixed assets disposed / exchanged during the year, in our opinion do not constitute substantial part of the company and such disposal in our opinion, has not affected the going concern status of the company.
- (ii) Inventories
- (a) The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company & the nature of its business.
- (c) The Company has maintained proper quantitative records on inventory. Based on the information and explanations given to us, discrepancies noticed on verification between the physical stocks and book records were not material, and have been properly dealt with in the books of account.
- (iii) (a) ***The company has granted interest free unsecured loans amounting to Rs. 13 lakhs to Ennore Coke Limited a party covered in the register maintained under section 301 of the Companies Act 1956. The amount outstanding from Ennore Coke Limited as on 30th June, 2013 is NIL. In our opinion since such loans were granted without any stipulations as regards repayment of principal or interest, we are unable to comment on whether the rate of interest, repayment terms are prima facie prejudicial to the interest of the company and report on whether they are overdue does not arise.***
- (b) ***The company has taken interest free unsecured loans of Rs.39 lacs from Shriram***
- Auto Finance a party covered in the register maintained under section 301 of the Companies Act 1956. The amount outstanding to Shriram Auto Finance as on 30th June 2013 is NIL. In our opinion since such loans were taken without any stipulations as regards repayment of principal or interest, we are unable to comment on whether the rate of interest repayment terms are prima facie prejudicial to the interest of the company and reporting on whether they are overdue does not arise.***
- (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 with regard to the purchase of inventory and fixed assets and sale of services. On the basis of our examination and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in respect of purchase of inventory and fixed assets.
- (v) (a) According to the information and explanations provided by the management, 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 into the register maintained under Section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the transaction involved and absence of any comparable prices, ***we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.***
- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules made there under.
- (vii) ***The company does not have an internal audit system.***
- (viii) ***The Company has maintained cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.***

- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including, Value added tax, Service tax and Cess, **except for delays in Tax Deducted at source during the year and Income Tax for the Tax year ended 31st March, 2013.** Other Statutory dues such as investor education and protection fund, wealth tax, customs duty and excise duty, Provident Fund and ESI are not applicable to the company.
- (b) According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect Value added tax, Service Tax and Cess, were in arrears, as at 30th June 2013 for a period of more than six months from the date they became payable. **With respect to TDS, a sum of Rs. 44.95 lakhs was in arrears as at 30th June 2013 for a period of more than 6 months from the date it became payable and income tax of Rs. 337 lakhs was outstanding as of 30th June 2013.**
- (c) According to the information and explanations given to us, there are no dues of Income-tax, Service tax, Value added tax, and Cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the year and has not incurred cash losses in the current year and the immediately preceding financial year.
- (xi) **Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of dues to financial institution or bank or debenture holders except that the company has a liability to pay to HUDCO Rs. 56 lacs pursuant to a scheme of arrangement approved by the Court in February 2007, which is being contested by HUDCO and hence the payment for the same is being rejected by the party.**
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund etc., are applicable, accordingly paragraph 4 (xiii) of the Order is not applicable.
- (xiv) The company has invested only its surplus funds in investments other than its subsidiaries and associates and hence clause 4(xiv) of the order is not applicable
- (xv) According to the information and explanations given to us, **the company has given guarantee / security during the year for loans taken by EMAS Engineers and Contractors Private Limited, a subsidiary of the Company, from banks or financial institutions.**
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken term loans from financial institutions or Banks and there are no term loans taken from financial institutions or Banks are outstanding as on balance sheet date and hence paragraph 4 (xvi) of the order is not applicable.
- (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, during the year, short-term funds have not been used to finance long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties covered under Sec 301 register during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 30th June 2013.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm Registration No : 003990S

S. PRASANA KUMAR

Partner

Place : Chennai
Date : 06.09.2013

M.No : 212354



Standalone Balance sheet as at June 30, 2013

(Amount in INR)

Particulars	Note No.	As at June 30, 2013	As at June 30, 2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	413,500,600	413,500,600
Reserves and Surplus	3	1,239,107,249	1,169,817,610
Non-Current Liabilities			
Deferred tax liability (Net)	4	433,138	213,982
Long-term Provisions	5	539,057	393,952
Current Liabilities			
Trade payables	6	8,701,979	65,120,034
Other current liabilities	7	606,549,387	846,258,792
Short-term provisions	8	55,226,765	31,422,440
Total		<u>2,324,058,175</u>	<u>2,526,727,406</u>
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	9	93,248,787	93,462,024
- Intangible assets		-	-
Non-current investments	10	1,449,371,293	1,450,682,085
Current assets			
Current investments	11	-	452,432
Inventories	12	588,356	145,672,313
Trade receivables	13	1,437,060	-
Cash and bank balances	14	1,292,319	411,356
Short-term loans and advances	15	355,470,464	426,484,748
Other current assets	16	422,649,896	409,562,448
Total		<u>2,324,058,175</u>	<u>2,526,727,406</u>
Statement of significant Accounting policies	1		

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No : 003990S

S. Prasana Kumar
Partner
M. No : 212354

Place : Chennai
Date : 06.09.2013

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

Rohini Ramanathan
Company Secretary

Standalone Statement of Profit & Loss for the year ended June 30, 2013

(Amount in INR)

Particulars	Note No.	For the Year ended June 30, 2013	For the year ended June 30, 2012
I. Revenue from operations	17	391,271,060	543,741,256
II. Other Income	18	47,654,480	4,124,806
III. Total Revenue		<u>438,925,540</u>	<u>547,866,062</u>
IV. Expenses			
Direct Expenses			
- Cost of materials consumed	19	305,789,428	448,818,418
Indirect Expenses			
- Employee benefits	20	13,627,849	13,737,646
- Selling, Administration & other expenses	21	12,123,633	18,698,093
- Finance costs	22	3,319,039	60,836
Depreciation and amortization expense	9	220,012	1,214,097
Less: Withdrawal from Revaluation Reserve		-	(367,796)
Total Expenses		<u>335,079,961</u>	<u>482,161,294</u>
V. Profit before tax		<u>103,845,579</u>	<u>65,704,768</u>
VI. Tax expense:			
Current tax		33,800,000	32,190,673
Previous years		536,784	10,779,683
Deferred tax		219,156	30,122
VII. Profit/(Loss) for the year		<u>69,289,639</u>	<u>22,704,290</u>
VIII. Earnings per equity share:			
Basic / Diluted	26	1.68	0.55
Statement of Significant Accounting Policies	1		

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No : 003990S

S. Prasana Kumar
Partner
M. No : 212354

Place : Chennai
Date : 06.09.2013

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

Rohini Ramanathan
Company Secretary

Notes forming part of Financial Statements

Note 1 : Significant Accounting Policies

a Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis as a going concern in accordance with Generally Accepted Accounting Principles (' Indian GAAP'), Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, as applicable, and the relevant provisions of the Companies Act, 1956.

b Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, as at the date of balance sheet and the reported amount of revenue and expenses for the period and disclosure of contingent liabilities as at the date of the balance sheet. Actual amount could differ from these estimates. The differences if any will be dealt accordingly in subsequent periods.

c Tangible fixed assets

Tangible Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present condition for intended use

d Intangible assets

Goodwill on Amalgamation has been fully amortised using Straight line method over a period of 5 years.

e Impairment of assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

f Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except for Fixed Assets costing less than Rs 5,000/-, which are fully depreciated in the year of Purchase. Incremental Depreciation on account of enhancement in value of Fixed Assets due to revaluation is charged against Fixed Assets Revaluation Reserve

g Revenue recognition

Revenue from Infrastructure Development is recognised on percentage completion method. Dividend Income on Investments is accounted for when the right to receive the payment is established. Interest on short term investments are recognised on time proportion basis taking into account the amounts invested and the rate of interest. Profit / (Loss) on Sale of Current Investments, being the difference between the contracted rate and the cost (determined on weighted average basis) of the investments is recognised on sale.

h Investments

Long term Investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such Investments for each category. The Current Investments are valued at Cost and Fair value whichever is lower. Cost of Acquisition is inclusive of expenditure incidental to acquisition.

i Inventories

Inventories are valued at cost or net realizable value, whichever is lower.

j Cash and cash equivalents

Cash and cash equivalents consists of cash, balance in bank, fixed deposits maturing in less than three months.

k Employee benefits

1 Short term employee benefits

All short term employee benefit plans such as salaries, bonus, medical benefits and, leave salary which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the Statement of profit and loss.

2 Defined contribution plan

The Company had only 9 employees during the reporting period. Due to number of employees being lesser than threshold limit required for Provident & Pension Fund, the provisions for Provident Fund are not applicable.

3 Defined benefit plan

Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to the Statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

Notes forming part of Financial Statements (Contd.)

l Earnings per share

Basic earnings per share 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 equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m Taxation

1 Income tax

Income tax expense comprises current tax for the year determined in accordance with the Income Tax Act, 1961.

2 Deferred tax

Deferred taxation is provided using the liability method in respect of the taxation effect originating from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to reverse in subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only when there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or, written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

3 Minimum alternate tax

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay Normal Income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in the Guidance Note issued by the Institute of Chartered Accountants of India if it is recognized, by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet Date and writes down the Carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

n Provision and contingencies

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligations as at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate. All known liabilities wherever material are provided for. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

o Segment reporting

The company carries out business operations only in one business segment viz. infrastructure and hence segmental reporting does not arise.

	(Amount in INR)	
Particulars	As at June 30, 2013	As at June 30, 2012
Note 2 : Share Capital		
Authorized:		
44,150,000 (Previous Year 44,150,000) Equity shares of Rs.10 each	<u>441,500,000</u>	<u>441,500,000</u>
Issued, Subscribed & Paid up:		
41,350,060 (Previous Year 41,350,060) Equity shares of Rs.10 each fully paid up	<u>413,500,600</u>	<u>413,500,600</u>
Total	<u>413,500,600</u>	<u>413,500,600</u>
Reconciliation of number of shares		
Number of equity shares at the beginning of the year	41,350,060	41,350,060
Add: Fresh Issue of shares	-	-
Number of equity shares at the end of the year	<u>41,350,060</u>	<u>41,350,060</u>

Notes forming part of Financial Statements (Contd.)

Details of share holders holding more than 5% of total shares

Name of the Shareholder	% of holding	As at June 30, 2013	As at June 30, 2012
Shri Housing Pvt Ltd	32.08%	13,266,380	13,266,380
Vidya Narayanamurthy (On behalf of Shriram Auto Finance)	25.12%	10,387,545	10,387,545
Vatsala Ranganathan (On behalf of Shriram Auto Finance)	8.37%	3,462,515	3,462,515
Vaata Infra Limited	9.67%	4,000,000	4,000,000

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held by him. Dividend proposed if any by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting, except in the case of interim dividend. In the event of liquidation, equity shareholders are eligible to receive any of the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2012
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Note 3 : Reserves and Surplus

Capital reserve

Opening balance	146,827,447	146,827,447
Add: Addition / (reduction)	—	—
Closing balance	146,827,447	146,827,447

Securities premium

Opening balance	950,864,127	950,864,127
Add: Addition / (reduction)	—	—
Closing balance	950,864,127	950,864,127

Revaluation reserve

Opening balance	—	17,651,343
Add: On revaluation of fixed assets	—	—
Less: Incremental depreciation withdrawn for the year on revaluation	—	(367,796)
Less: Loss on revalued asset sold	—	(5,490,790)
Less: Transfer to General Reserve (for asset sold)	—	(11,792,757)
Closing balance	—	—

General reserve

Opening balance	12,880,424	1,087,667
Add: Transfer from revaluation reserve on sale of asset	—	11,792,757
Closing balance	12,880,424	12,880,424

Surplus in Profit & Loss account

Opening balance	59,245,612	36,541,322
Add: Current year surplus	69,289,639	22,704,290
Closing balance	128,535,251	59,245,612
	1,239,107,249	1,169,817,610

Notes forming part of Financial Statements (Contd.)

	(Amount in INR)	
Particulars	As at June 30, 2013	As at June 30, 2012
Note 4 : Deferred Tax Liability (Net)		
Opening liability	213,982	183,860
Add: Current year provision	219,156	30,122
Closing liability	<u>433,138</u>	<u>213,982</u>
Break up of Closing Liability /(Asset)		
On account of timing difference in claiming::		
(a) Depreciation allowance	433,138	294,069
(b) Expenses claimed on payment basis	-	(80,087)
Total	<u><u>433,138</u></u>	<u><u>213,982</u></u>
Note 5 : Long Term Provisions		
Provision for Gratuity (Refer Note 32)	539,057	393,952
Total	<u><u>539,057</u></u>	<u><u>393,952</u></u>
Note 6 : Trade Payables		
Due to Micro and Small Enterprises*	-	-
Due to others	8,701,979	65,120,034
Total	<u><u>8,701,979</u></u>	<u><u>65,120,034</u></u>
* (Refer Note 34)		
Note 7 : Other Current Liabilities		
Salaries Payable	1,193,311	1,919,572
Leave Salary payable	1,375,465	945,509
Statutory Liabilities	4,874,648	1,918,173
Creditors pursuant to scheme of arrangement	5,600,000	53,247,005
Liability for other expenses	3,294,542	1,811,345
Advances from customers	590,211,421	786,417,187
Total	<u><u>606,549,387</u></u>	<u><u>846,258,792</u></u>
Note 8 : Short Term Provisions		
Provision for income tax (Net of advance tax)	55,226,765	31,422,440
Total	<u><u>55,226,765</u></u>	<u><u>31,422,440</u></u>

Notes forming part of Financial Statements (Contd.)

Note 9 : Fixed Assets

Asset	Gross Block			Depreciation			Net Block			
	Opening balance as at July 1, 2012	Additions	Deletions	Closing balance as at June 30, 2013	Opening balance as at July 1, 2012	Additions	Deletions	Closing balance as at June 30, 2013	As at June 30, 2013	As at June 30, 2012
Tangible asset										
Land *	92,470,000	-	-	92,470,000	-	-	-	-	92,470,000	92,470,000
Plant & Equipments	182,063	6,775	-	188,838	78,717	19,491	-	98,208	90,630	103,346
Vehicles	1,237,023	-	-	1,237,023	348,345	200,521	-	548,866	688,157	888,678
Intangible asset										
Amalgamation Goodwill	3,787,404	-	-	3,787,404	3,787,404	-	-	3,787,404	-	-
Total	97,676,490	6,775	-	97,683,265	4,214,466	220,012	-	4,434,478	93,248,787	93,462,024
Previous year	145,884,781	87,400	48,295,691	97,676,490	6,917,771	1,214,097	3,917,402	4,214,466	93,462,024	138,967,010

Note:

The land at Luz Church Road purchased during the year 2007-08 (in joint name with another company) has not been registered.

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2012
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Note 10 : Non current investments

Trade

in shares - Not quoted (at cost-fully paid)

Subsidiaries

Emas Engineers & Contractors Pvt Ltd - 6,042,050 equity shares of Rs. 10/- each (Previous year 6,042,050)	185,462,500	185,462,500
RCI Power Limited- 14,913,500 equity shares of Rs. 10/- each (Previous year 14,913,500)	609,280,591	609,280,591
RCI Power AP Limited- 49,994 equity shares of Rs. 10/- each (Previous Year 49,994)	78,588,176	78,588,176
	<u>873,331,267</u>	<u>873,331,267</u>

Others

Haldia Coke & Chemicals Limited- 13,750,000 equity shares of Rs10/- each (Previous year 13,750,000)	527,587,500	527,587,500
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Sub-Total

	<u>1,400,918,767</u>	<u>1,400,918,767</u>
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Non Trade

in shares - Quoted (at cost-fully paid)

Ennore Coke Limited - 575,430 equity shares of Rs. 10/- each (Previous Year 575,430)	48,452,526	48,452,526
Orient Green Power Ltd Nil equity shares of Rs. 10/- each (Previous year 45,100)	-	1,334,836
Less: Diminution in Value of Investment for Orient Green Power Ltd	-	(24,043)
	-	1,310,793

Sub-Total

	<u>48,452,526</u>	<u>49,763,318</u>
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Total

	<u>1,449,371,293</u>	<u>1,450,682,085</u>
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Market value of quoted instruments

	10,875,627	13,630,678
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Notes forming part of Financial Statements (Contd.)

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2012
Note 11 : Current investments		
(At Lower of Cost and Fair Value)		
Shares - Quoted (fully paid)		
3i Infotech Limited - Nil equity shares of Rs 10/- each (Previous Year 1,000)	-	9,830
Assam Company Ltd- Nil equity shares of Rs.10/- each (Previous year - 1,000)	-	6,270
BGR Energy Systems Ltd - Nil equity shares of Rs. 10/- each (Previous year 200)	-	60,400
Bilcare Ltd - Nil equity shares of Rs. 10 each (Previous year 700)	-	105,875
Century Textiles Ltd - Nil equity shares of Rs.10 each	-	231,787
Rural Electrification Corpn Ltd- Nil equity shares of Rs. 10/- each (Previous year - 200)	-	38,270
	<u>-</u>	<u>452,432</u>
Note 12 : Inventories		
(At lower of cost and net realizable value)		
Traded land (Refer Note 24 (e))	-	145,672,313
Other traded goods	588,356	-
Total	588,356	145,672,313
Note 13 : Trade Receivables		
(Unsecured, considered good)		
Outstanding for more than 6 months from due date	-	-
Others	1,437,060	-
Total	1,437,060	-
Note 14 : Cash and bank balances		
Cash & Cash equivalents:		
Cash in hand	95,513	135,692
Balance with banks		
- in current accounts	1,196,806	275,664
Total	1,292,319	411,356
Note 15 : Short Term Loans and Advances		
(Unsecured , considered good)		
Advance to supplier	166,235,492	231,860,000
Advance to subsidiary	115,934,112	140,984,112
Advance to other related parties	13,872,185	-
Rent advance	3,000,000	-
Staff advance	1,032,013	2,599,540
Advance to others	55,203,590	50,860,990
Prepaid expenses	193,072	180,106
Total	355,470,464	426,484,748



(Value in Rupees)											
Scrip Name	Opening Stock		Purchases / Additions		Sales / Deductions		Profit / (Loss) on Investments	Provision for diminution in Investments	Closing Stock		
	Quantity	Value	Quantity	Value	Quantity	Value			Quantity	Value	
Non Current Investments (Trade)											
Shares - Quoted											
Orient Green Power Limited	45,100	1,310,793			45,100	472,238	(838,555)		-	-	
Ennore Coke Limited	575,430	48,452,526			-	-	-		575,430	48,452,526	
Shares - Unquoted											
Emas Engineers & Contractors Pvt Ltd.	6,024,050	185,462,500			-	-	-		6,024,050	185,462,500	
Haldia Coke & Chemicals Private Limited	13,750,000	527,587,500			-	-	-		13,750,000	527,587,500	
RCI Power Limited	14,913,500	609,280,591			-	-	-		14,913,500	609,280,591	
RCI Power AP Limited	49,994	78,588,176			-	-	-		49,994	78,588,176	
Sub-Total	35,358,074	1,450,682,086	-	-	45,100	472,238	(838,555)	-	35,312,974	1,449,371,293	
Current Investments: Non Trade											
Shares - Quoted											
3i Infotech Limited	1,000	9,830			1,000	8,562	(1,268)		-	-	
Assam Company Limited	1,000	6,270			1,000	5,790	(480)		-	-	
BGR Green Energy Ltd	200	60,400			200	52,627	(7,773)		-	-	
Bilcare Ltd	700	105,875			700	163,228	57,353		-	-	
Century Textile	750	231,787			750	287,543	55,756		-	-	
Ennore Coke Limited			20,849	393,752	20,849	393,559	(193)		-	-	
Rural Electrification Ltd	200	38,270			200	43,440	5,170		-	-	
Sub-Total	3,850	452,432	20,849	393,752	24,699	954,749	108,565	-	-	-	
Total	35,361,924	1,451,134,518	20,849	393,752	69,799	1,426,987	(729,990)	-	35,312,974	1,449,371,293	

Notes forming part of Financial Statements (Contd.)

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2012
Note 16 : Other Current Assets		
Unbilled revenue	422,649,896	409,097,182
Service Tax input credit	-	465,266
Total	<u>422,649,896</u>	<u>409,562,448</u>
Note 17 : Revenue From Operations		
Development of infrastructure for power projects	188,361,547	543,741,256
Sale of traded land	195,672,313	-
Sale of traded goods	1,357,200	-
Service Income	5,880,000	-
Total	<u>391,271,060</u>	<u>543,741,256</u>
Note 18 : Other Income		
Write back of unclaimed balances in creditors pursuant to scheme of arrangement	47,647,005	-
Dividend Income	7,475	12,925
Net gain on sale of current and non current investments	-	1,669,271
Rent Receipt	-	2,281,400
Provision no longer required on Investments	-	161,210
Total	<u>47,654,480</u>	<u>4,124,806</u>
Note 19 : Direct Expenses		
Project expenses for development of infrastructure for power projects	158,930,176	448,818,418
Cost of traded land	145,672,313	-
Cost of traded goods	1,186,939	-
Total	<u>305,789,428</u>	<u>448,818,418</u>
Note 20 : Employee benefit expense		
Salaries & Wages	11,910,050	12,114,700
Leave Encashment	429,956	444,910
Bonus	510,000	510,000
Gratuity	145,105	134,770
Leave Travel Allowance	135,000	138,500
Medical	357,659	282,781
Welfare expenses	140,079	111,985
Total	<u>13,627,849</u>	<u>13,737,646</u>



Notes forming part of Financial Statements (Contd.)

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2012
Note 21 : Selling, Administration & other expenses		
Advertisement	449,012	1,072,765
Legal expenses	200,000	2,420,695
Professional charges	3,951,475	3,409,015
Office Rent	1,030,800	1,120,364
Electricity	284,155	211,751
Rates and taxes	388,617	649,326
Repairs & Maintenance		
- Buildings	81,837	42,267
- Vehicles	201,993	159,533
- Office equipments	28,500	30,349
- Others	28,885	38,987
Insurance	15,839	28,663
Donations	1,000	27,000
Printing & Stationery	210,528	305,041
Communication expenses	325,227	491,761
Travelling & conveyance expenses	2,039,415	2,983,465
Listing & Depository Fees	258,214	159,793
Training Expenses	-	73,350
Sitting fees to Directors	85,000	90,000
Auditors remuneration	1,550,000	1,510,300
Brokerage	-	857,858
Loss on sale of current / non- current Investments	729,990	-
Miscellaneous Expenses	263,146	179,060
Bad debts written off	-	2,836,750
Total	12,123,633	18,698,093
Note 22 : Finance costs		
Interest on loans	340,891	-
Interest on statutory dues	2,772,530	58,587
Bank charges	205,618	2,249
Total	3,319,039	60,836
Note 23 : Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1,061,200,000	Nil

Notes forming part of Financial Statements (Contd.)

Note 24 : Contingent Liabilities:

- a HUDCO has filed a case against the company for recovery of Rs 21,251,770 (Previous year 21,251,770) as against Rs 5,600,000 (Previous year Rs. 5,600,000) payable by the Company as per the Scheme sanctioned by Hon'ble High Court of Madras vide CP 367/2003. The company has won the case at the DRT, Chennai. Matter is now sub judice before DRAT Chennai
- b The Company has entered into agreement with OGPL and its associates or subsidiaries to erect and commission wind power projects at Tadipatri. The Company executes this through Vaata Infra Private Limited. The Company has not provided for Works contract tax on the said transaction.
- c The land at Luz Church Road purchased during the year 2007-08 (in joint name with another company) has not been registered. Liability of registration charges for land amount indeterminate.
- d The company has given the Luz Church Road land as security for a loan of Rs. 120,000,000 availed by subsidiary company M/s Emas Engineers & Contractors Pvt Ltd.
- e The Company had acquired land for development from M/s Amrit Technologies Private Limited at Rs. 145,672,313 and a sum of Rs.48,071,313 is still due to them . Subsequently the Company has sold the land to Beta Wind Farms Limited for Rs.195,672,313 and Rs.48,071,313 crores will be remitted directly to Amrit Technologies Private Limited. The purchase and Sale are not registered. Liability of registration charges for land amount indeterminate.

(Amount in INR)

Particulars	As at June 30, 2013	As at June 30, 2012
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Note 25 : Audit fees

Statutory audit	1,500,000	1,550,000
Other Certification fees	50,000	-

Note 26 Earnings per share

Net profit/loss attributable to shareholders	69,289,639	22,704,290
Basic and diluted weighted average no. of equity shares issued	41,350,060	41,350,060
Earnings per share of Rs.10 each - basic and diluted	1.68	0.55

Note 27 : Scheme of arrangement

Company has a liability of Rs. 47,647,005 under scheme of arrangement during FY 2007, which has not been claimed by the parties. The liability has been written back to statement of Profit and loss during the current financial year. This will be paid as and when claimed by the parties.

Note 28 : The company had during the year received approximately Rs.28 crores from various parties for onward remittance to other parties who have no commercial connections with the company. These are in the nature of facilitating transactions for a fee. The balances in these accounts have been treated as receivables / payables from / to these companies. The fee income on these transactions will be accounted on the closure of these transactions. The receipts and payments also include cases where receipts and payments from/ to a party have been treated as a settlement of payables/ receivables of another party based on mutual understanding.

We had obtained confirmation of balances from the above mentioned parties. The management is confident of recovering the receivables stated in the accounts.



Note 29 : Related Party Disclosure

List of related parties and the relationship.

- | | |
|-----------------------------------|--|
| (a) Ultimate controlling entity | Shriram Auto Finance (Partnership firm) |
| (b) Subsidiaries | Emas Engineers & Contractors Pvt Ltd.
RCI Power Ltd.
RCI Power (AP) Ltd. |
| (c) Step down subsidiaries | RCI Wind Farm 30 MW Pvt. Ltd.
RCI Wind Farm 50 MW Pvt. Ltd. |
| (d) Fellow subsidiary | Shri Housing Pvt. Ltd. |
| (e) Entities with common director | Vaata Infra Limited
S R Fabricators Pvt. Ltd.
Haldia Coke & Chemicals Pvt. Ltd.
(ceased to be an associate during the reporting period consequent to changes in Composition of its Board of Directors)
Ennore Coke Limited |
| (f) Key managerial Personnel | Vikram Mankal, Managing Director & CEO |
- Enterprises over which person in (b) above is able to exercise significant influence - Shriram Auto Finance.

Transactions with related parties during the year

(IN INR)

Description	Name of the related party	Relationship	As at June 30,2013	As at June 30,2012
Purchase of Materials	Vaata Infra Ltd	Common Director	155,188,358	128,818,418
Purchase of Fixed Assets	Haldia Coke & Chemicals Pvt Ltd	Associate	6,775	-

Loans and advances given to/taken from related parties

(IN INR)

Party	Relationship	Opening balance as at June 30,2012	Received during the year	Paid during the year	Closing Balance as at June 30,2013
Shriram Auto Finance	Ultimate Controlling Entity	-	3,900,000	3,900,000	-
Shri Housing Pvt Ltd	Fellow Subsidiary	(2,512)	-	13,874,697	13,872,185
Emas Engineers & Contractors Pvt Ltd	Subsidiary	140,984,112	563,873,000	538,823,000	115,934,112
Haldia Coke & Chemicals Private Ltd	Common Director	-130,345	-	-	-130,345
S R Fabricators Pvt Ltd	Common Director	4,350,000	4,350,000	-	-

Note 30 : Derivatives and foreign currency exposure

The Company has not entered into any derivative contracts during the year under review and also does not have any foreign currency exposure as at June 30, 2013.

Note 31 : Foreign currency transactions

There are no inflows in foreign currency during the reporting period June 30,2013 and during the previous reporting period June 30,2012. Expenditure in Foreign Currency on account of Foreign Travel – Rs.1,150,227 (Previous Year: 2,057,342/-)

Note 32 : Employee benefits: Gratuity:

(IN INR)

S. No.	Particulars	As at 30 th June 2013	As at 30 th June 2012
A	Net asset/ (liability) recognized in the balance Sheet.		
	Present value of funded obligation	(539,057)	(393,952)
	Fair value of plan assets	-	-
	(Deficit) / surplus	-	-
	Present value of unfunded obligation	-	-
	Unrecognised past service cost	-	-
	Net asset / liability		
	- Assets	-	-
	- Liability	(539,057)	(393,952)
B	Expense recognized in the Profit & loss account.		
	Current service cost	187,962	150,190
	Interest cost	33,486	22,030
	Expected return on plan assets	-	-
	Actuarial (gains) / losses	(76,343)	(37,450)
	Past service cost	-	-
	Adjustments made in the Current period	-	-
	Total expense	145,105	134,770
C	Change in present value of obligation during the year		
	Present value of defined benefit obligation as at the Beginning of the year	393,952	259,182
	Adjustment to opening balance	-	-
	Current service cost	187,962	150,190
	Interest cost	33,486	22,030
	Past service cost	-	-
	Actuarial (gains) /losses	(76,343)	(37,450)
	Benefits paid	-	-
	Present value of defined benefit obligation as at the end of the year	-	-
	Accrued Liability as at the end of the period	539,057	393,952
	Principal actuarial assumptions :		
	Discount rate.	8.50%	8.50%
	Mortality	LIC (1994-96) Ultimate Mortality Tables	LIC (1994-96) Ultimate Mortality Tables
	Resignation rate per annum	0.00%	0.00%
	Salary Escalation per annum	10.00%	10.00%



Note 33 : Disclosure as per Clause 32 of Listing agreement

(Loans & Advances to Subsidiaries, Associates & Others) – Refer Note 28 above.

Note 34 : Micro, Small and Medium Enterprises

The company has not received any intimation on any of its suppliers regarding their registration under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly there are no identified Micro, Small and Medium Enterprises vendors to the company.

Note 35 : Previous year figures

Previous year figures have been regrouped / rearranged wherever necessary to conform to current year classification.

For and on behalf of

PKF Sridhar & Santhanam

Chartered Accountants
Firm Reg. No : 003990S

S. Prasana Kumar

Partner
M. No : 212354

Place : Chennai
Date : 06.09.2013

For and on behalf of the Board of Directors

Vikram Mankal

Managing Director & CEO

K.N. Narayanan

Director

Rohini Ramanathan

Company Secretary

Standalone Cash Flow Statement

(Amount in Rs.)

Particulars	For the year ended June 30, 2013	For the year ended June 30, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	103,845,579	65,704,768
Profit before tax from discontinuing operations		
Profit before tax	<u>103,845,579</u>	<u>65,704,768</u>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / Amortization	220,012	846,301
Interest Expense	3,319,039	60,836
Provision for Gratuity	145,105	134,770
Profit on Sale of Investments	729,990	(1,669,271)
Dividend From Investments	(7,475)	(12,925)
Interest Income		
Diminution in Value of Investment	-	288,859
Operating Profit before working capital changes	108,252,250	65,353,338
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	(56,418,055)	(25,566,850)
Increase/ (Decrease) in Short Term Provisions	-	-
Increase/ (Decrease) in Other Current Liabilities	(239,709,405)	370,105,111
Decrease/ (Increase) in Trade Receivables	(1,437,060)	65,226,618
Decrease/ (Increase) in Inventories	145,083,957	(145,672,313)
Decrease/ (Increase) in Long Term Loans & Advances	-	-
Decrease/ (Increase) in Short Term Loans & Advances	71,014,284	(45,834,784)
Decrease/ (Increase) in Other Current Assets	(13,087,448)	(409,719,944)
Cash Generated from/ (used in) operations	13,698,524	(126,108,825)
Direct Taxes Paid (Net of Refunds)	(10,532,459)	(9,213,551)
Net Cash Flow From/ (Used in) operating Activities	(A) <u>3,166,065</u>	<u>(135,322,376)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP	(6,775)	(87,400)
Sale of Fixed Assets	-	38,887,500
Purchase of Investments	-	-
Sale of Investments	1,033,236	96,126,270
Dividend from Investments	7,475	12,925
Interest Received	-	-
Net Cash Flow From/ (Used in) Investing Activities	(B) <u>1,033,936</u>	<u>134,939,295</u>



Cash Flow Statement (Contd.)

(Amount in Rs.)

Particulars	For the year ended June 30, 2013	For the year ended June 30, 2012
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(3,319,039)	(60,836)
Net Cash Flow From/ (Used in) Financing Activities	(3,319,039)	(60,836)
Net Increase/ (decrease) in cash and cash equivalents	880,962	(443,917)
Cash and Cash equivalents at the beginning of the year	411,356	855,273
Cash and Cash equivalents at the end of the year	1,292,319	411,356
NOTE:		
Cash and Cash equivalents as per Balance Sheet	1,292,319	411,356
Cash and Cash equivalents as P & L, Cash Flow Statement	1,292,319	411,356

For and on behalf of

This is the Cash Flow statement referred to in our report.

PKF Sridhar & Santhanam

Chartered Accountants
Firm Reg. No : 003990S

Vikram Mankal

Managing Director & CEO

K.N. Narayanan

Director

S. Prasana Kumar

Partner
M. No : 212354

Rohini Ramanathan

Company Secretary

Place : Chennai

Date : 06.09.2013

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Premier Energy and Infrastructure Limited for the year ended 30th June 2013. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and balance Sheet of the Company by our Report dated 6th September 2013 to the Members of the Company.

For and on behalf of

PKF Sridhar & Santhanam

Chartered Accountants
Firm Reg. No: 003990S

S. Prasana Kumar

Partner

M. No : 212354

Place : Chennai

Date : 06.09.2013

DISCLOSURE OF INFORMATION RELATING TO SUBSIDIARIES

(Vide MCA Circular No. 47/85/2011 - CL III dated 08.02.2011)

(Rs. in lacs)

Particulars	EMAS Engineers & Contractors Pvt Ltd		RCI Power Ltd		RCI Power (AP) Ltd Power		RCI Wind Farm 30 MW Pvt Ltd		RCI Wind Farm 50 MW Pvt Ltd	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Capital	1202.41	1202.41	1500.00	1500.00	5.00	5.00	1.00	1.00	1.00	1.00
Reserves	3294.02	3184.91	4591.39	4591.00	746.44	746.67	-0.86	-0.21	-0.92	-0.21
Total	4496.43	4387.32	6091.39	6091.00	751.44	751.67	0.14	0.79	0.08	0.79
Total Liabilities	18855.74	17545.33	33.12	32.84	35.85	35.18	0.63	0.17	0.63	0.17
Total Assets	23352.17	21932.65	6124.51	6123.84	787.29	786.85	0.77	0.96	0.71	0.96
Investments										
- Quoted	-	-	-	-	-	-	-	-	-	-
- Unquoted	-	-	2.00	2.00	-	-	-	-	-	-
Turnover / Total Income	12886.05	13918.37	1.26	1.76	0.44	0.42	-	-	-	-
Profit Before Taxation	155.25	126.59	0.39	0.58	-0.23	-0.38	-0.65	-0.21	-0.71	-0.21
Provision for Taxation	46.13	-33.67	-	-	-	-	-	-	-	-
Profit after Taxation	109.12	160.26	0.39	0.58	-0.23	-0.38	-0.65	-0.21	-0.71	-0.21
Proposed Dividend	-	-	-	-	-	-	-	-	-	-

Notes:

- Total Liabilities include: Secured Loans, Unsecured Loans, Current Liabilities & Provisions and Deferred Tax Liability.
- Total Assets include: Net Fixed Assets, Investments, Current Assets, Loans & Advances, Deferred Tax Assets and Miscellaneous Expenditure.
- Emas Engineers & Contractors' figures are based on the Unaudited Financial Results as on 30th June 2013.
- Details financial statements, Directors' Report and Auditors' Report of the individual subsidiaries are available for inspection at the Registered Office of the Company. Upon written request from a Share Holder we will arrange to deliver copies of the Financial Statements, Directors Report and Auditors Report for the individual subsidiaries.