



Annual Report

2010-2011

Premier Energy
and Infrastructure Limited



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

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

CHIEF FINANCIAL OFFICER

A. SRIRAM

COMPANY SECRETARY & COMPLIANCE OFFICER

S. SREENIDHI

REGISTAR AND SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

3rd Floor
Egmore Benefit Society Building
No. 25, Flowers Road
Kilpauk, Chennai - 600 084

AUDITORS

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

CONTENTS

| | Page No. |
|---|-----------------|
| Notice to the Shareholders | 2 |
| Directors Report | 7 |
| Management Discussion & Analysis Report | 10 |
| Corporate Governance Report | 13 |
| Auditor's Report | 20 |
| Balance Sheet | 22 |
| Profit & Loss Account | 23 |
| Schedule to Accounts | 24 |
| Notes on Accounts | 30 |
| Cash Flow Statements | 37 |
| Balance Sheet Abstract | 38 |
| Auditors' Report on Consolidated Accounts | 39 |
| Consolidated Balance Sheet | 40 |
| Consolidated Profit & Loss Account | 41 |
| Consolidated Schedules & Notes | 42 |
| Disclosure of Information Relating to Subsidiaries | 55 |



NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON WEDNESDAY THE 14TH MARCH 2012 AT 11.00 A.M. AT BHARATIYA VIDHYA BHAWAN (MINI HALL) 18, 20, 22 EAST MADA STREET, MYLAPORE, CHENNAI, TAMIL NADU 600 004 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 30th June 2011 and the Profit and Loss account of the Company for the year ended 30th June 2011, together with the Directors' Report and the Auditors' report thereon.
2. To appoint Mr. K.N.Narayanan who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration - M/s PKF Sridhar and Santhanam, Chartered Accountants, Chennai who retire at this Annual General Meeting, and being eligible, offer themselves for re-appointment.

"RESOLVED THAT M/s PKF Sridhar and Santhanam, Chartered Accountants, Chennai (Registration No.003990S) be and are hereby reappointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

SPECIAL BUSINESS:

4. **TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION OF WHICH NOTICE HAVE BEEN RECEIVED FROM A MEMBER UNDER SECTION 257 OF THE COMPANIES ACT, 1956, SIGNIFYING HIS INTENTION TO PROPOSE THE NAME OF MR. VIKRAM MANKAL AS A DIRECTOR OF THE COMPANY NOT LIABLE TO RETIRE BY ROTATION:**

RESOLVED THAT Mr. Vikram Mankal, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

5. **TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION OF WHICH NOTICE HAVE BEEN RECEIVED FROM A MEMBER UNDER SECTION 257 OF THE COMPANIES ACT, 1956, SIGNIFYING HIS INTENTION TO PROPOSE**

THE NAME OF MR. RAJESH DEVARAJAN AS A DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION:

RESOLVED THAT Mr. Rajesh Devarajan, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

6. **TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION OF WHICH NOTICE HAVE BEEN RECEIVED FROM A MEMBER UNDER SECTION 257 OF THE COMPANIES ACT, 1956, SIGNIFYING HIS INTENTION TO PROPOSE THE NAME OF MS. SUCHARITHA PARTHASARATHY AS A DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION:**

RESOLVED THAT Ms. Sucharitha Parthasarathy, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

7. **TO CONSIDER, AND IF THOUGH FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

RESOLVED THAT subject to the provisions of Sections 269 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory modifications or re-enactments thereof for the time being in force), the relevant provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors, to appoint Mr. Vikram Mankal as Managing Director and Chief Executive Officer of the Company for a period of three years with effect from 14th February, 2012 to 13th February, 2015 on a remuneration as detailed below:

| Component of Remuneration | Amount P.M. | Amount P.A. |
|----------------------------------|--------------------|--------------------|
| Salary | 1,00,000 | 12,00,000 |
| H.R.A | 50,000 | 6,00,000 |
| Other Allowances | 25,000 | 3,00,000 |
| Medical Reimbursement | 25,000 | 3,00,000 |
| Total | 2,00,000 | 24,00,000 |

Apart from the above, Mr. Vikram Mankal is also entitled to:

1. Club Fees:
Fees for Club Membership subject to a maximum of one club. This will not include admission and life membership.

2. Personal Accident Insurance:
Personal Accident Insurance of an amount, the premium of which does not exceed Rs.4000/- per annum.
3. a) Company's contribution towards Provident Fund Superannuation Fund, if any, as per the rules of the Company
b) Gratuity as per the rules of the Company
4. The aforesaid perquisites stated in (3) (a) and (b) shall not be included in the computation of the aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
5. Eligible for leave on full pay and allowances and perquisites as per the rules of the Company. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and / or salary.
6. Telecommunication facilities at residence used for official purpose shall not be considered as perquisite. The use of STD facility for personal purposes will however be billed at rates applicable to such calls.
7. Provision of Car to use for Company's purposes and shall not be considered as perquisite
"In the event of loss or inadequacy of profits in any financial year, during the currency of the tenure of Mr. Vikram Mankal, he shall be paid the same remuneration as mentioned above."
"The perquisites mentioned above be interchangeable within the overall ceiling of the Annual salary of Mr. Vikram Mankal."

RESOLVED FURTHER THAT in terms of Section 255 of the Companies Act, 1956 and the Articles of Association of the Company Mr. Vikram Mankal, shall not be liable to retire by rotation.

By the Order of the Board of Directors

Place : Chennai
Date : 14th February, 2012

S. Sreenidhi
Company Secretary

Regd. Office:
3rd Floor, Egmore Benefit Society Building
No. 25, Flowers Road, Kilpauk
Chennai - 600 084

NOTES:

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out in Items no. 4 to 7 and as set out above is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself/themselves and such proxy(ies) 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 9th March, 2012 to Wednesday the 14th March, 2012 (both days inclusive).
4. Members/proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialised form are requested to fill up their client ID and DP ID numbers for identification.
5. Members are requested to notify the change in address, if any, to Cameo Corporate Services Limited, Subramaniam Buildings, 1, Club House Road, Chennai 600 002, the Registrar and Share Transfer Agent on or before 11th March, 2012 or to the Company at its Registered Office.
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.
7. As per clause 49 of the Listing Agreement with Stock Exchanges, the brief resume and expertise of the Directors proposed for reappointment are furnished below along with detail of Companies in which they are Directors and the Committees of which they are members.

By the Order of the Board of Directors

Place : Chennai
Date : 14th February, 2012

S. Sreenidhi
Company Secretary

Regd. Office:
3rd Floor, Egmore Benefit Society Building
No. 25, Flowers Road, Kilpauk
Chennai - 600 084



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

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

(i) K.N. Narayanan- Director retiring by rotation

Mr. K.N. Narayanan, is a Member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He is presently a Chartered Accountant in Practice. He has worked in Public Limited Companies in Senior Management positions and he has also worked as Company Secretary. He has rich experience in Accounts, Finance and Company Law matters.

He is serving as a Director of the Company since 3rd June, 2009.

He is Member of the following committees with effect from 14th February 2012

1. Share Transfer and Investor Grievance Committee
2. Audit Committee
3. Remuneration Committee

Details of other Directorships and other Committee Memberships in other Companies as on 14th February, 2012 is as under

| Position | Company |
|----------|---|
| Chairman | Nil |
| Director | Parkins Management Services Private Limited |

He holds NIL shares in the Company

(ii) Vikram Mankal - Managing Director & Chief Executive Officer

Mr. Vikram Mankal, holds a Post Graduate Diploma in Management from Indian Institute of Management (Kozhikode) and is a B.E Graduate in Electrical and Electronics. He is a result oriented individual with strong analytical skills, experienced in the Energy and Infrastructure sectors with a good understanding of Project Management and Evaluation.

He joined the Board of Directors of the Company on 14th December, 2011.

Details of other Directorships and other Committee Memberships in other Companies as on 14th February, 2012 is as under:

| Position | Company |
|----------|--|
| Chairman | Nil |
| Director | EMAS Engineers and Contractors Pvt Ltd |

He holds NIL shares in the Company.

(iii) Rajesh Devarajan - Non Executive, Independent Director

Mr. Rajesh Devarajan, holds a Master's Degree in Computer Application from NIT, Warangal in 1997 and holds a Master's Degree in Business Management from London Business School in 2010. He is an enterprising leader with over 14 years global experience in technology, retail and telecom. He has experience in developing strategies for business growth. Prior to this he worked for John Lewis partnership, British Telecom, Tata Consultancy Services and Invictus Global Solutions.

He joined the Board of Directors of the Company on 14th December, 2011.

He is Member of the following Committees with effect from 14th February, 2012.

1. Audit Committee
2. Share Transfer and Investor Grievance Committee

Details of other Directorships and other Committee Memberships in other Companies as on 14th February, 2012 is as under:

| Position | Company |
|----------|---------|
| Chairman | Nil |
| Director | Nil |

He holds 90,000 shares in the Company being shares allotted pursuant to Scheme of Amalgamation of Valagam Power Projects Private Limited with the Company.

(iv) Sucharitha Parthasarathy - Non Executive, Independent Director

Ms. Sucharitha Parthasarathy is a fellow member of the Institute of Chartered Accountants of India. She has been a Chartered Accountant in Practice for more than a decade. Channeling through her proprietary concern, she built up her expertise in Statutory Audit, Personal Taxation, Company Law, Project Finance and Merchant Banking. She has varied exposure and experience in Financial Management, Company Law & Affairs, Financial Services, Secretarial Matters, Land Management and Legal Affairs. She has handled a diverse portfolio of responsibilities ranging from managing a software venture to the finance & compliance function.

She joined the Board of Directors of the Company on 14th December, 2011.

She is Member of the following committees with effect from 14th February, 2012.

1. Audit Committee
2. Share Transfer and Investor Grievance Committee

Details of other Directorships and other Committee Memberships in other Companies as on 14th February, 2012 is as under:

| Position | Company |
|----------|--|
| Chairman | Nil |
| Director | PS Agro Farms and Products Private Limited |
| | Vaata Infra Private Limited |
| | Vaata Wind Energy Private Limited |
| | RCI Windfarm 50MW Private Limited |
| | RCI Windfarm 30MW Private Limited |
| | Kaavanoor Energy Products Private Limited |
| | RCI Power Limited |
| | RCI Power (AP) Limited |

She holds 1,00,000 shares in the Company being shares allotted pursuant to Scheme of Amalgamation of Valagam Power Projects Private Limited with the Company.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM No. 4

Mr. Vikram Mankal, aged 26, was appointed as an Additional Director of the Company at the Board Meeting held on 14th December, 2011. In terms of Section 260 of the Companies Act, 1956, he will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- signifying his intention to propose Mr. Vikram Mankal as a Director not liable to retire by rotation.

Accordingly, the Ordinary Resolution set out under Item No.4 of the Notice is submitted for approval of the members.

Interest of Directors

Mr. Vikram Mankal is interested in the resolution. None of the other Directors are neither interested nor concerned in this resolution.

ITEM No. 5

Mr. Rajesh Devarajan was appointed as an Additional Director of the Company at the Board Meeting held on 14th December, 2011. In terms of Section 260 of the Companies Act, 1956 he will hold office up to the date of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received a notice from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- signifying his intention to propose the name of Mr. Rajesh Devarajan as a Director liable to retire by rotation.

Accordingly, the Ordinary Resolution set out under item No.5 of the Notice is submitted for approval of the members.

Interest of Directors

Mr. Rajesh Devarajan is interested in the resolution. None of the other Directors are neither interested nor concerned in this resolution.

ITEM NO. 6

Ms. Sucharitha Parthasarathy was appointed as an Additional Director of the Company at the Board meeting held on 14th December, 2011. In terms of Section 260 of the Companies Act, 1956, she will hold office up to the date of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received a notice from a member pursuant to Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- signifying his intention to propose the name of Ms. Sucharitha Parthasarathy as a Director liable to retire by rotation.

Accordingly, the Ordinary Resolution set out under Item No. 6 of the Notice is submitted for approval of the members.

Interest of Directors

Ms. Sucharitha Parthasarathy is interested in the resolution. None of the other Directors are neither interested nor concerned in this resolution.

ITEM NO. 7

Mr. Vikram Mankal was co-opted as an Additional Director of the Company at the Board Meeting held on 14th December, 2011 and was further appointed as the Managing Director and Chief Executive Officer of the Company under Section 269 with Schedule XIII of the Companies Act, 1956 for a period of three years with effect from 14th February, 2012 to 13th February, 2015 and his salary has been fixed with effect from 1st March, 2012



Mr. Vikram Mankal, holds a Post Graduate Diploma in Management from Indian Institute of Management (Kozhikode) and is a B.E Graduate in Electrical and Electronics. He is a result oriented individual with strong analytical skills, experienced in the Energy and Infrastructure sectors with a good understanding of Project Management and Evaluation.

The Remuneration Committee of the Board of Directors and Board of Directors of the Company at their respective meetings held on 14th February, 2012 approved the payment of remuneration for an amount of Rs. 24 lacs per annum to Mr. Vikram Mankal, with effect from 1st March, 2012.

The Company focused on the construction and real estate industry and has executed several projects in the states of Tamil Nadu, Karnataka and Andhra Pradesh. The Company undertook estate development projects with business focus on residential and commercial developments. The Company has also completed more than 20 projects in residential and construction space with a built up area of around 9.50 Lakhs Square feet.

The Company, further has expanded to the sector of developing infrastructural facilities in the Power generation and examining to enter into the Power generation business. PEIL is currently expanding its renewable power generation presence in the Country and its developing projects in the State of Andhra Pradesh. PEIL, presently has taken up a 95 MW Wind Farm project in Tadapatri, Andhra Pradesh for Leitner Shriram Manufacturing Limited. The Company has already commenced developing infrastructural facilities

for site development, suitable for erection and commissioning, approach road, evacuation facilities to wheel power to the grid.

The appointment of Mr. Vikram Mankal as the Managing Director and Chief Executive Officer and the payment of remuneration are in accordance with the conditions specified in Part I and II of the Schedule XIII of the Companies Act, 1956 and also in line with Section 269(2) of the Companies Act, 1956.

Accordingly, the Special Resolution set out under Item No. 7 of the Notice is submitted for approval of the members.

The explanation together with the accompanying Notice should be treated as an abstract of the terms of Mr. Vikram Mankal and Memorandum of interest under Section 302 of the Companies Act, 1956.

Interest of Directors

Mr. Vikram Mankal is interested in the resolution. None of the other Directors are neither interested nor concerned in this resolution.

By the Order of the Board of Directors

Place : Chennai

Date : 14th February, 2012

S. Sreenidhi

Company Secretary

Regd. Office:

3rd Floor, Egmore Benefit Society Building
No. 25, Flowers Road, Kilpauk
Chennai - 600 084

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken "Green Initiative in Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that the service of Notice or documents including Annual Reports can be sent by e-mail to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail ID's, so far, are requested to register their e-mail ID's, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail ID's with RTA of the Company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report together with the Audited Accounts for the year ended 30th June 2011.

The performance highlights of the Company for the year are summarized below:

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

| Particulars | 2010-2011 | 2009-2010 |
|---|-----------|-----------|
| Revenue | 3305.24 | 364.46 |
| Profit before Interest, Depreciation and Tax | 121.89 | 181.82 |
| Interest & Finance Charges | 5.53 | - |
| Depreciation | 10.90 | 13.08 |
| Provision for Tax | 61.58 | 20.79 |
| Deferred Tax | -11.39 | 13.23 |
| Net Profit for the year | 55.27 | 134.72 |
| Accumulated Profit Brought forward From Balance Sheet | 310.14 | 175.42 |
| Total Distributable profit | 365.41 | 310.14 |
| Dividend | - | - |
| Dividend Tax | - | - |
| Profit Carried over to the Balance Sheet | 365.41 | 310.14 |

CAPITAL STRUCTURE

The Capital Structure of the Company for the year ended 30th June, 2011 is as under :

| Particulars | Amount (Rs.) |
|--|--------------|
| <i>Authorized share capital</i> 4,41,50,000 equity shares of Rs.10/- each | 44,15,00,000 |
| <i>Issued, Subscribed & Paid-up capital</i> 4,13,50,060 equity shares of Rs.10/- each | 41,35,00,600 |

BUSINESS HIGHLIGHTS

Your Directors are pleased to state that during the year the Company received the first prestigious order for 95 MW wind farm development from Leitner Shriram Manufacturing Limited (LSML). The order will give your Company a gross margin of Rs. 30 lacs per MW and receive annual lease income of Rs. 3.80 Crores from 1st April, 2012. The entire project will be completed by 31st March, 2013.

The order backlog of the subsidiary company - EMAS Engineers and Contractors Pvt Ltd as on 31st December, 2011 of Rs. 442 Crores.

BUSINESS REVIEW

The Company operates in two major segments - Infrastructure and development Engineering and Construction.

The Infrastructure and Development segment includes civil contracting and contracting for wind farm development.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements presented by the Company includes financial information of all its subsidiary companies and are prepared in accordance with Accounting Standard (AS - 21) issued by the Institute of Chartered Accountants of India. The Ministry of Corporate Affairs, New Delhi under Section 212 (8) of the Companies Act, 1956 vide General Circular No: 2 of 2011, No: 51/12/2007-CL-III dated 8th February, 2011 have granted general exemption from attaching the full text of financial statements of the subsidiaries along with the financial statements of the Company. The general exemption has been granted provided the Company complies with certain conditions as laid down in the said Circular. The Company has complied with the conditions laid down in the said Circular and hence is eligible for the general exemption as laid in the above mention Circular for the year ended 30th June, 2011.

Necessary disclosures with respect to the subsidiaries have been made in the Annual Report in the Statement pursuant to Section 212 of the Companies Act, 1956. However, on request by any member of the Company / Statutory authorities interested, the documents will be made available for inspection at the registered office of the Company. A statement summarizing the financial results of all the subsidiaries is attached to the consolidated financial statements.

DIVIDEND

Considering the significant expansion plans of your Company which require substantial investments, the Board of Directors think it prudent not to recommend declaration of dividend for the year.

AMALGAMATION OF VALAGAM POWER PROJECTS PVT LTD AND BLACKGOLD CHEMICALS PVT LTD WITH THE COMPANY

The Hon'ble High Court of Madras approved the Scheme of Amalgamation filed by your Company for merger of M/s Valagam Power Projects Pvt Ltd (VPPL) and M/s Blackgold Chemicals Pvt Ltd (BGPL) with the Company vide its Order dated 30th November, 2011 and the same was registered by the Registrar of Companies, Tamil Nadu, Chennai on 14th December, 2011. The Scheme of Amalgamation of VPPL and BGPL with your Company was

envisaged to create a single robust entity which would carry on business that is integrated and complimentary in nature. Amalgamation of VPPL with your Company would result in the strengthened leadership in the industry in terms of asset base, revenue and market share of the combined entity since VPPL owns Windfarms in the state of Andhra Pradesh. Amalgamation of BGPL with your Company would enable the Company to gain control on companies that deal with the coke and coal business since BGPL holds stake in companies engaged in the business of dealing with coal and coke.

INFORMATION UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956

EMAS ENGINEERS AND CONTRACTORS PRIVATE LTD

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 2010-11 is as under:

(Rupees in Lacs)

| Particulars | 2010-2011 |
|--------------------|------------------|
| Sales | 18,569.07 |
| Other Income | 164.29 |
| Equity Capital | 1,202.40 |
| Reserves & Surplus | 3,033.67 |
| Earnings per share | 1.02 |
| Net Asset Value | 4386.07 |

RCI POWER LIMITED & RCI POWER (AP) LIMITED

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

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

ASSOCIATE COMPANIES

The Company has 29.97% of equity stake in Haldia Coke and Chemicals Pvt Ltd (HCCPL) which in turn holds 60.86% in Ennore Coke Limited. During the year under review, HCCPL reported a consolidated turnover of Rs. 854.76 Crores with a Profit after tax of Rs. 20.92 Crores.

DEPOSITORY SYSTEM

Your Company's Equity Shares are available in dematerialized form through National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As at 30th June, 2011, 76.83% of the Equity Shares of the Company were held in demat form.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and outlook of the company and its business is given in the Management Discussion and Analysis report, which forms a part of this 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 contemplated in Clause 49 (V) of the Listing Agreement.

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. K.N. Narayanan, retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

Mr. Vikram Mankal was appointed as an Additional Director by the Board of Directors with effect from 14th December, 2011. Further, Mr. Vikram was appointed as the Managing Director & Chief Executive Officer of the Company by the Board of Directors under Section, 269 read with Schedule XIII of the Companies Act, 1956 for a period of three years from 14th February, 2012 to 13th February, 2015 and his salary was fixed with effect from 1st March 2012.

During the year, Mr. Rajesh Devarajan and Ms. Sucharitha Parthasarathy were appointed as Additional Directors of the Company and they hold office up to the conclusion of the ensuing Annual General Meeting of the Company.

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

As required under the provisions of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 particulars of employees are not required to be set out in the Report since there are no employees who are covered under the abovementioned provisions and rules.

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:

- a) in the presentation of the annual accounts for the year ended 30th June, 2011, 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 ;

- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2011 and of the profit of the Company for the year ended on that date ;
- c) 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 together irregularities ; and
- d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

CORPORATE GOVERNANCE

Your Company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A Report on Corporate Governance along with a certificate from the Practicing Company Secretary forms a part of this Report.

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. 2,54,169.

AUDITORS

M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for reappointment.

AUDIT REPORT AND EXPLANATION UNDER SECTION 217 (3) OF THE COMPANIES ACT, 1956

The Auditors' Report is self explanatory and does not require any further comments under Section 217 (3) of the Companies Act, 1956, except that :

REPLY FOR POINT NO. 5 OF THE AUDIT REPORT ON THE STANDALONE FINANCIALS AND POINT NO (xvii) OF THE ANNEXURE TO THE AUDIT REPORT ON THE STANDALONE FINANCIALS

The Company treated Land as Current Asset, since the Company was earlier engaged in the business of Housing and Development. The Company presently is also operating in the areas of Infrastructure and Development as well. The Company had a land for development. Now, the Company intends to develop and utilise the land for its own office and hence the land was transferred from Current Assets to Fixed Assets resulting in short term funds being used for long term investments.

REPLY FOR POINT NO. 3 OF THE AUDIT REPORT ON THE CONSOLIDATED FINANCIALS

The Financial year of EMAS Engineers and Contractors Pvt Ltd is from 1st April to 31st March. Hence the Un audited Financials as on 30th June, 2011 were provided for consolidation of accounts.

RCI Power Ltd & RCI Power (AP) Ltd were not the subsidiaries of the Company as on 30th June, 2011. These companies were subsidiaries of Valagam Power Projects Pvt Ltd. RCI Windfarm 30 MW Pvt Ltd and RCI Windfarm 50 MW Pvt Ltd are subsidiaries of RCI Power Ltd. On sanction of the Scheme of Amalgamation of Valagam Power Projects Pvt Ltd with the Company with effect from 1st July, 2010 the financial results of the above mentioned companies have also been consolidated with the Consolidated Accounts of the Company for the year ended 30th June, 2011.

The Financial year of the said Companies are also from 1st April to 31st March. Hence the Un audited Financials as on 30th June, 2011 were provided for consolidation of accounts.

REPLY FOR POINT NO. 4 OF THE AUDIT REPORT ON THE CONSOLIDATED FINANCIALS

The Financial year of the Haldia Coke and Chemicals Pvt Ltd are from 1st April to 31st March. Hence the Un audited Financials as on 30th June, 2011 were provided for consolidation of accounts.

REPLY FOR POINT NO. 7 OF THE AUDIT REPORT ON THE CONSOLIDATED FINANCIALS

- (a) This will be examined and suitable provisions, if required, will be provided by EMAS Engineers and Contractors Pvt Ltd in the next year.
- (b) The Company treated Land as Current Asset, since the Company was earlier engaged in the business of Housing and Development. The Company presently is also operating in the areas of Infrastructure and Development as well. The Company had a land for development. Now, the Company intends to develop and utilise the land for its own office and hence the land was transferred from Current Assets to Fixed Assets resulting in short term funds being used for long term investments.

LIST OF PROMOTERS AND PROMOTER GROUP

Shri Housing Private Limited, Shriram Auto Finance, Shriram Auto Finance LLP, Haldia Coke & Chemicals Private Limited, Ennore Coke Limited, Wellman Coke India Limited, EMAS Engineers & Contractors Private Limited, RCI Power Limited, RCI Power (AP) Limited, RCI Windfarm 30 MW Private Limited, RCI Windfarm 50 MW Private Limited.

By the Order of the Board of Directors

Vikram Mankal
Managing Director & C.E.O.

K.N. Narayanan
Director

Place : Chennai

Date : 14th February, 2012



MANAGEMENT DISCUSSION AND ANALYSIS FY - 2010-11

COMPANY OVERVIEW

PEIL focused on the construction and real estate industry 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 and is examining to enter into the Power generation business.

PEIL is currently expanding its renewable power generation presence in the country and developing projects in the State of Andhra Pradesh. PEIL, presently has taken up a 95 MW wind farm project in Tadapatra, Andhra Pradesh for Leitner Shriram Manufacturing Limited. PEIL has already commenced developing infrastructural facilities for site development, suitable for erection and commissioning, approach road, evacuation facilities to wheel power to the grid.

THE MACRO - ECONOMIC SCENARIO

The fiscal year 2010-11 began on an encouraging note, as developed economies have picked up and shown signs of growth. There has been improvement in the economic indicators of the leading world economies with a marginally positive bias. Though there have been several challenges like debt restructuring of European countries and political unrest in the Middle East the global economy was able to register growth rates. The outlook remains mixed as sharp rise in prices of commodities and food articles puts pressure on emerging nations while the developed nations will have to deal with effects of withdrawal of fiscal stimulus.

The Domestic Economy continues to perform strongly as the Gross Domestic Product (GDP) is estimated to have grown at 8.6% in 2011-12 in real terms. The economy has shown remarkable resilience to the volatility of the global economy as the strong and sustained domestic demand has contributed significantly to the high growth rates. The outlook remains robust and the Indian economy is expected to grow at a near 7% rate in FY2011-12.

SECTOR OVERVIEW

RENEWABLE POWER GENERATION

India is both a major energy producer and consumer. India ranked as the world's fifth largest energy producing nation in 2010 behind China, United States, Russia and Japan.

It is also the world's fifth largest energy consumer. The global average per capita consumption of energy is currently at about 2,500 kWh. It is said that the basic minimum requirement of energy in middle income countries is about 4,500 to 5,000 kWh per capita. Further, global population is expected to rise from about 6.8 billion currently to about 9 billion by 2050 and then stabilize. Whether to enhance current standards of consumption or to cater to the needs of the growing population; the world will need more energy.

For the power sector, growth in absolute energy consumption is perhaps more relevant than just percentage change in energy consumption. Further, it is also seen that the ability to pay in markets that have high energy growth rates is weaker as compared to the developed markets.

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. Nonetheless, contribution from renewable energy sources towards overall generation has been low at around 3.0% due to low plant load factors of renewable capacities. (Source: CRISIL Report)

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.

REAL ESTATE

India's real estate industry is only just recovering from a torrid examination. The excess 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 days of plentiful luxury projects and exorbitant prices might have been consigned to history as developers are now wise to the market potential of middle class housing, or as it is fashionably branded today, affordable housing. Low cost housing is the key to addressing the housing shortage of approximately 24 million units across India, and if "affordable housing for all" becomes a reality, we might just have the realty slump to thank.

PEIL is present in the real estate and infrastructure sector in the States of Tamil Nadu, Andhra Pradesh, Karnataka etc., PEIL is currently expanding its renewable power generation presence in the country and developing projects in other locations in India, including the state of Andhra Pradesh.

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 - 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. The business, especially the wind division is exposed to the vagaries of nature and to that extent can be classified as cyclical in nature.

Industry Risks – Real Estate 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.

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.

Regulatory environment risk - Real Estate 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.

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. The internal auditors and the auditors and the audit committee review all financial statements and ensure adequacy on internal control systems.

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.

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement with Stock Exchanges)

1) Company's Philosophy on Corporate Governance

Premier Energy and Infrastructure Limited ("PEIL/ the Company") is committed to the highest standards of Corporate Governance in all its activities and processes. PEIL looks at corporate governance as the cornerstone for sustained superior financial performance and for serving all its stakeholders. The entire process begins with the functioning of the Board of Directors, with professionals and experts serving as independent directors and represented in various Board Committees. Systematic attempt is made to ensure symmetry of information.

2) Board of Directors

As on 30th June, 2011, the Board of Directors comprised of 4 (four) Members. 1 (one) Non-Executive Non-Independent Director and 3 (three) Non-Executive Independent Directors.

The composition of Directors, their attendance at the Board Meetings during the year and the last Annual General Meeting (AGM) and also number of other directorships and committee memberships are given below:

| Name of Director | Category | Attendance Particulars | | No. of other Directorships, Committee Memberships / Chairmanships*** | | |
|----------------------|----------|-------------------------|--------------------|--|----------------------|------------------------|
| | | Board Meetings attended | Attendance at last | Other Directorship | Committee Membership | Committee Chairmanship |
| R. Ramakrishnan | NEID* | 4 | Yes | 3 | – | 1 |
| Vathsala Ranganathan | NENID** | 5 | Yes | 6 | – | – |
| Malka Komaraiah | NEID* | – | No | 12 | 2 | – |
| K. N. Narayanan | NEID* | 5 | Yes | – | – | – |

* NEID- Non Executive Independent Director, **NENID - Non Executive Non Independent Director

*** Includes Directorship in Public Limited Companies.

None of the Directors on the Board is a member in more than 10 committees and Chairman of more than 5 Committees across the companies in which they are Directors.

Board Meetings

The Board has a formal schedule of matters reserved for its consideration and decision. These include setting performance targets, reviewing, approving investments, ensuring adequate availability of financial resources overseeing risk management and reporting to the shareholders.

The Board periodically reviews the compliance of all applicable laws and gives appropriate directions wherever necessary.

During the year 2010-2011, five Board Meetings were held on 14th August, 2010, 31st August, 2010, 15th November, 2010, 14th February, 2011 and 13th May, 2011.

Membership Terms

The Board periodically recommends to the shareholders about re-appointments as per statute, 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 every year, qualifies them for retiring members for re-appointment upon completion of their term.

Compensation Policy

The Remuneration committee determines and recommends to the Board, the compensation payable to the Directors. All board-level compensation will be approved by the shareholders and will be separately disclosed in the financial statements. However, during the year under review other than Sitting fees, none of the Directors of the Company were paid any remuneration, commission, fees etc.,

Details of sitting fees paid during the year for Non-Executive Directors are given below:

| Name | Sitting fees (in Rs.) |
|----------------------|-----------------------|
| R. Ramakrishnan | 20,000 |
| Vathsala Ranganathan | 20,000 |
| Malka Komaraiah | – |
| K.N.Narayanan | 20,000 |



Committees of the Board

The Board functions both as a full Board and through Committees. The Board has constituted 3 Committees Viz., Audit Committee, Remuneration Committee, and Share Transfer and Investor Grievance Committee.

3) Audit Committee

Pursuant to the provision of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company constituted an Audit Committee consisting of three members. All the members of the Audit Committee are independent and non-executive Directors.

During the current year, four Audit Committee meetings were held on 31st August, 2010, 15th November, 2010, 14th February, 2011 and 13th May, 2011.

The composition and attendance of Audit Committee meeting were as follows:

| Sr. No | Name of the Director | Designation | Meetings Held | Meeting attended |
|--------|----------------------|-------------|---------------|------------------|
| 1 | R Ramakrishnan | Member | 4 | 4 |
| 2 | Malka Komaraiah | Member | 4 | Nil |
| 3 | K.N. Narayanan | Member | 4 | 4 |

Role

The Audit committee has been formed to monitor and provide effective supervision of the Financial and reporting process. The brief of the terms of reference of the Committee is to review the financial reporting process, inter audit process, accounting policies, adequacy of internal control systems, management audit and recommend appointment of the statutory/internal Auditors and to fix their remuneration.

4) Remuneration Committee

During the year, the Remuneration Committee was not required to meet since there were no items during the year that necessitated the approval of the Remuneration Committee.

Members of the Remuneration Committee are as follows:

| Sr. No | Name of the Member | Nature of Membership |
|--------|--------------------|----------------------|
| 1. | R. Ramakrishnan | Member |
| 2. | Malka Komaraiah | Member |
| 3. | K.N. Narayanan | Member |

5) Share Transfer and Investor Grievance Committee

The complaints received from the shareholders of the Company were duly redressed.

During the year, Shareholders and Investors Grievance Committee meetings were held on 31st August, 2010, 15th November, 2010, 14th February, 2011 and 13th May, 2011.

The attendance of the Members of the Shareholders and Investor Grievance Committee meeting is as under:

| Sr. No | Name of the Member | Nature of Membership | No. Meetings Held | No. Meeting attended |
|--------|--------------------|----------------------|-------------------|----------------------|
| 1. | R. Ramakrishnan | Member | 4 | 4 |
| 2. | Malka Komaraiah | Member | 4 | Nil |
| 3. | K. N. Narayanan | Member | 4 | 4 |

The Committee oversees and reviews all matters connected with securities transfers / transmission etc., The Committee also looks into redressing of shareholder's complaints on transfer of shares, non-receipt of annual report etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to the Share Transfer Committee.

6) General Body Meetings

(i) Details of previous three Annual General Meetings held are provided below:

| Year | Location | Date | Time |
|------|--|---------------------------------|------------|
| 2010 | Mini Hall, New Woodlands Hotel, 72-75 Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004 | 18 th December, 2010 | 11.00 A.M. |
| 2009 | Bharatiya Vidya Bhavan (Mini Hall) 18,20,22 East Mada Street, Mylapore, Chennai - 600 004 | 29 th September 2009 | 10.00 A.M. |
| 2008 | Bharatiya Vidya Bhavan (Mini Hall) 18,20,22 East Mada Street, Mylapore, Chennai - 600 004 | 30 th September 2008 | 10.00 A.M. |

(ii) The details of Special resolutions passed during last three Annual General Meeting are as under:

| Date of AGM | Particulars |
|----------------------------------|--|
| 18 th December, 2010 | Special Resolution passed for giving loan for an amount of Rs.50 Crores as per the terms and conditions as laid down in the agreement between the Company and M/s. Shriram Auto Finance. |
| 29 th September, 2009 | NIL |
| 30 th September, 2008 | NIL |

(iii) Postal Ballot during current year (FY 2010-11)

(A) The details of special resolutions passed through postal ballot are given below:

| Sl. No. | Subject matter of the resolution | Date of the Notice | Date of declaration of Postal Ballot results |
|---------|---|---------------------------------|--|
| 1. | Special Resolution under Section 372 A of the Companies Act, 1956 to invest in Stocks, Bonds, Units, Commercial Paper, Certificates of Deposits, Securities and all kinds of Debentures and descriptions of Bodies Corporate and/or Public Sector Companies and/or Financial Institutions/Banks and/or Mutual Funds as defined under Section 2(h) of the Securities Contract Regulation Act, 1956, and/or Government Securities etc. subject to the limits of maximum Rs. 15,00,00,000/- (Rupees Fifteen Crores only) in one or more tranches | 14 th February, 2011 | 27 th April, 2011 |
| 2. | Special Resolution under Section 372 A of the Companies Act, 1956 to invest in or grant loans or issue guarantee or provide security to M/s Emas Engineers & Contractors Pvt Ltd and / or M/s RCI Power Ltd and / or M/s RCI Power (AP) Ltd in one or more tranches upto the limit not exceeding Rs. 15,00,00,000/- (Rupees Fifteen Crores only) in one or more tranches | 14 th February, 2011 | 27 th April, 2011 |
| 3. | Special Resolution under Section 372 A of the Companies Act, 1956 for the grant of loan for an amount of Rs. 50,00,00,000/- (Rupees Fifty Crores only) to M/s Shriram Auto Finance | 14 th February, 2011 | 27 th April, 2011 |

(B) Details of voting pattern of the postal ballot were as follows:

(i) Item No. 1 approved on 27th April, 2011

| Particulars | No. of Postal Ballots forms | No. of votes | % of the total votes |
|------------------------------------|-----------------------------|--------------|----------------------|
| Total Postal Ballot forms received | 184 | | |
| Rejected Postal Ballot Forms | 2 | | |
| Invalid Postal Ballot forms | 0 | | |
| Postal Ballot forms with assent | 175 | 14280857 | 99.99 |
| Postal Ballot forms with dissent | 7 | 901 | 0.01 |

(ii) Item No. 2 approved on 27th April, 2011

| Particulars | No. of Postal Ballots forms | No. of votes | % of the total votes |
|------------------------------------|-----------------------------|--------------|----------------------|
| Total Postal Ballot forms received | 184 | | |
| Rejected Postal Ballot Forms | 2 | | |
| Invalid Postal Ballot forms | 0 | | |
| Postal Ballot forms with assent | 165 | 14276907 | 99.97 |
| Postal Ballot forms with dissent | 17 | 4851 | 0.03 |



(iii) Item No. 3 approved on 27th April, 2011

| Particulars | No. of Postal Ballots forms | No. of votes | % of the total votes |
|------------------------------------|-----------------------------|--------------|----------------------|
| Total Postal Ballot forms received | 184 | | |
| Rejected Postal Ballot Forms | 2 | | |
| Invalid Postal Ballot forms | 0 | | |
| Postal Ballot forms with assent | 164 | 14277507 | 99.97 |
| Postal Ballot forms with dissent | 18 | 4251 | 0.03 |

As the number of votes cast in favour of all the three Resolutions were 3 times more than the number of votes cast against, all the Special Resolutions were past in favour with requisite majority.

(iv) Person who conducted the postal ballot exercise:

At the Board meeting held on 14th February, 2011, Mr. R. Sridharan of M/s R. Sridharan & Associates, Company Secretaries, Chennai were appointed as scrutinizer for conducting the postal ballot.

(v) Procedure adopted for Postal Ballot:

- R. Sridharan, of M/s R. Sridharan & Associates, Company Secretaries was appointed as Scrutinizer.
- Postal Ballot forms along with prepaid business reply envelope posted to its members whose name(s) appeared on the Register of Members/list of beneficiaries on cut of date was sent to the Scrutinizer.
- Particulars of all the postal ballot forms received for the members have been entered in a register separately maintained for the purpose.
- The postal ballot forms were kept under the safe custody of Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- The ballot boxes were opened only in the presence of Scrutinizer and confirmed the share holding with the Register of Members of the Company / list of beneficiaries.
- After the scrutiny, all the postal ballot forms and other related papers/ registers and records for safe custody were returned to the Company Secretary, who was authorized by the board to supervise the postal ballot process.

7) Code of Conduct

The Board has laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company. A declaration to this effect signed by Mr. Vikram Mankal, Managing Director & CEO is forming part of the report.

8) Prevention of Insider Trading

The Company has framed a code of conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / Officers / Designated Employees. The code ensures the prevention of dealing in Company's shares by persons having access to Unpublished Price Sensitive Information.

9) Other disclosures

- a) The Company has Related Party transactions during the year of material nature with the promoters, directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.
- b) CEO/CFO Certification:
The Managing Director & Chief Executive Officer (MD & CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Ageement pertaining to CEO / CFO certification for the financial year ended 30th June, 2011.
- c) There were no instances of non compliance on any matter relating to capital market, during last three years.
- d) The Company has complied with all mandatory requirements of the Clause 49 of the listing agreement relating to corporate governance.

The Company has submitted the compliance report in the prescribed format to the stock exchanges for all the four quarters ended 30th September, 2010, 31st December 2010, 31st March 2011 and 30th June, 2011. M/s. R. Sridharan & Associates have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the stock exchanges. The said certificate

vide their report dated 14th February, 2012 is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

- e) Details of information on appointment of new/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 for other person on a beneficial basis, names of companies in which the person already holds directorship, membership of committees of the Board and relationship with other directors, forms part of the Notice convening the Nineteenth Annual General Meeting.

10) Risk Management

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management and mitigation process being taken up.

11) Means of Communication

- Un-audited Quarterly Results are published in the pro-forma prescribed by Stock Exchanges, in English newspapers and Tamil newspapers in News Today and Malai Chudhar respectively.
- The Company opted to publish the Un-audited Financial Results for the last quarter ended 30th June, 2011. In compliance with the Listing Agreement the said results were published within the stipulated period of 45 days from the end of the quarter.
- The Annual Financial Results of the Company are also communicated in the prescribed pro-forma to Stock Exchange and also published in the newspapers.
- The financials results are displayed on the Company's website www.premierenergy.in

12) General Information for Shareholders:

- Registered office : III Floor, Egmore Benefit Society Building No.25, Flowers Road, Kilpauk, Chennai - 600 084
- Date, Time and Venue of the Annual General Meeting : 14th March, 2012, 11.00 A.M at Bharatiya Vidhya Bhawan (Mini Hall) 18, 20, 22 East Mada Street, Mylapore, Chennai - 600 004
- Financial year : 1st July to 30th June
- Results for Quarter ending : Will be published on or before:
 - September 30, 2011 : November 14, 2011
 - December 31, 2011 : February 14, 2012
 - March 31, 2012 : May 15, 2012
 - June 30, 2012 : August 30, 2012
- Date of Book Closure : 9th March, 2012 to 14th March, 2012
- Dividend payment date : No dividend proposed
- Listing on Stock Exchange:
 - The Company's Equity Shares are listed on the Bombay Stock Exchange Limited, Bangalore Stock Exchange Limited and the Madras Stock Exchange Limited.
Scrip Code : 512369
ISIN : INE755H01016
 - The Company's Equity Shares are traded in Group "T" category in Bombay Stock Exchange Limited.
 - The Company has paid the Listing Fees for the year 2010-2011 to Stock Exchanges where the Company's equity shares are listed.

13) Market Price Data:

Monthly Share Price (in Rupees)

| Month | High Price | Low Price | Total Turnover |
|-----------|------------|-----------|----------------|
| July 2010 | 39.70 | 24.00 | 1,33,97,433 |
| Aug 2010 | 39.70 | 30.50 | 1,96,45,015 |
| Sep 2010 | 50.90 | 40.25 | 1,70,85,192 |
| Oct 2010 | 58.70 | 41.30 | 1,43,59,428 |
| Nov 2010 | 55.50 | 39.55 | 57,03,729 |
| Dec 2010 | 46.10 | 37.40 | 45,70,824 |

| Month | High Price | Low Price | Total Turnover |
|----------|------------|-----------|----------------|
| Jan 2011 | 45.75 | 34.70 | 96,14,009 |
| Feb 2011 | 37.00 | 28.30 | 25,39,167 |
| Mar 2011 | 33.45 | 28.00 | 29,19,697 |
| Apr 2011 | 37.75 | 27.90 | 52,68,160 |
| May 2011 | 34.10 | 26.20 | 5,98,074 |
| Jun 2011 | 29.50 | 21.70 | 14,76,405 |



14) Registrar and Transfer Agent (RTA)

The Company has appointed Cameo Corporate Services Limited as Registrar and Transfer Agents, Shareholders / Investors / Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the Registrar at the following address:

Cameo Corporate Services Ltd

Contact Person: Mr. R.D. Ramaswamy
 Subramaniam Building, #1, Club House Road, Chennai - 600002
 PH : 044-2846 0084/0395
 Fax : 044-2846 0129
 Email : cameo@cameoindia.com, www.cameoindia.com
 SEBI Registration Number: INR000003753

15) Share Transfer System

Shares lodged in physical form with the RTA are processed and returned, duly transferred within 30 days from the date of receipt, if the documents submitted are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants.

16) 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 Registrar and Transfer Agent, Cameo Corporate Services Limited and Ms. S. Sreenidhi, Company Secretary of the Company.

17) Distribution of Shareholding by Size Class as on 30th June, 2011

| Category (Amount) | No. of Cases | % of Cases | Total Shares | Amount | % of Amount |
|--------------------|--------------|------------|-----------------|------------------|-------------|
| 1 - 5000 | 10261 | 90.72 | 1688782 | 16887820 | 8.44 |
| 5001 - 10000 | 615 | 5.44 | 494081 | 4940810 | 2.47 |
| 10001 - 20000 | 210 | 1.86 | 318020 | 3180200 | 1.59 |
| 20001 - 30000 | 59 | 0.52 | 154937 | 1549370 | 0.77 |
| 30001 - 40000 | 30 | 0.27 | 109277 | 1092770 | 0.55 |
| 40001 - 50000 | 27 | 0.24 | 128777 | 1287770 | 0.64 |
| 50001 - 100000 | 48 | 0.42 | 322338 | 3223380 | 1.61 |
| 100001 - and above | 61 | 0.54 | 16783788 | 167837880 | 83.92 |
| Total | 11311 | 100 | 20000000 | 200000000 | 100 |

18) Pattern of Shareholding as on 30th June, 2011

| Category | No. of Shares | % of shareholding |
|--|-----------------|-------------------|
| Promoters | 13266380 | 66.33 |
| FII | 200 | 0.00 |
| Mutual Funds | 55900 | 0.28 |
| Indian Financial Institutions / Govt. Cos. | 0 | 0.00 |
| Banks | 400 | 0.00 |
| Insurance Companies | 0 | 0.00 |
| Corporate Bodies - 1000 shares & above | 1661088 | 8.31 |
| Corporate Bodies - 1000 shares & below | 30646 | 0.15 |
| Indian Public - 1000 shares & above | 2830769 | 14.15 |
| Indian Public - 1000 shares & below | 2149317 | 10.75 |
| Others | 5300 | 0.03 |
| Total | 20000000 | 100 |

19) 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

20) Dematerialization 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) Limited (CDSL), to Premier Energy and Infrastructure Limited is: ISIN INE - INE755H01016. As on 30th June, 2011, about 76.83% of shares were held in dematerialized form.

DECLARATION

I, Vikram Mankal, Managing Director & Chief Executive Officer 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, 2011.

For **Premier Energy and Infrastructure Limited**

Place : Chennai
Date : 14th February, 2012

VIKRAM MANKAL
Managing Director & C.E.O.

CERTIFICATE FROM COMPANY SECRETARY IN WHOLE TIME PRACTICE ON CORPORATE GOVERNANCE

We have examined all the relevant records of **Premier Energy and Infrastructure Limited** for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, Bangalore Stock Exchange Limited and Madras Stock Exchange Limited for the financial year ended 30th June, 2011

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For R. Sridharan & Associates
Company Secretaries

Chennai
Dated : 14th February, 2012

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



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

1. We have audited the attached **Balance Sheet of Premier Energy and Infrastructure Limited**, as at **30th June 2011**, the **Profit and Loss Account** and also the **Cash Flow Statement** for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Attention is drawn to the following without qualifying our report:

The company has applied for Central Government approval as required by provisions of Section 295 of the Companies Act, 1956 for the loans given to a partnership firm in which a director of the company is a partner amounting to Rs 21.04 crores (Outstanding as on 30th June, 2011 - Nil), which is pending for approval with the Ministry of Corporate affairs
 5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations obtained from the directors as on 30th June, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2011, from being appointed as directors in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required ;
- In view of our inability to express an opinion**
- **on the computation of cost of land accounted as fixed asset of Rs. 92,470,000 and**
 - **on the correctness of fixed assets revaluation reserve created in the past, in the absence of complete details.**
- We are unable to state if the said accounts 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 30th June, 2011;
 - (b) in the case of the profit and loss account, of the profit of the Company 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

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

T.V. BALASUBRAMANIAN

Place : Chennai
Date : 14.02.2012

Partner
M.No : 27251

**Annexure referred to in Paragraph '3' of the Auditors' Report
to the Member of PREMIER ENERGY AND INFRASTRUCTURE LIMITED
on the Accounts for the year ended 30th June 2011**

- (i) Fixed assets:
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) The fixed assets disposed / exchanged during the year, in our opinion do not constitute substantial part of the fixed assets of the company and such disposal in our opinion, has not affected the going concern status of the company.
- (ii) Inventories
- (a) The Company does not have physical inventory and hence this clause is not applicable.
- (iii) (a) The Company has granted unsecured loans to a firm covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year end balance of such loans aggregates to Rs 21.04 crores and Nil respectively. 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 reporting on whether they are overdue does not arise.
- The Company has taken unsecured loans from companies/ firms covered in the register maintained under section 301 of the Act. The company has taken short term loans Rs.1.85 crores from Haldia Coke & Chemicals Pvt. Ltd. and Rs. 46.50 crores from Ennore Coke Ltd. The loans have been repaid during the year. The interest paid is not prejudicial to the interests of the Company.
- (iv) The company has an adequate internal control system and does not have major internal control weaknesses for the purchase of inventory and sale of goods and services.
- (v) The particulars of contracts or arrangements referred to in Section 301 of the Act have been so entered in the register and the transactions exceeding five lakhs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted deposits from public within the meaning of section 58A & 58 AA of the Act and the rules made there under.
- (vii) The Company does not have an internal audit system commensurate with its size and nature of its business.
- (viii) The company is not required to maintain cost records prescribed by the central government under clause (d) of sub-section (1) of Sec. 209 of the Act.
- (ix) Undisputed statutory dues including income-tax, service tax, cess have not been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. Statutory dues in respect of provident fund, customs duty, excise duty, investor education and protection fund and employees state insurance are not applicable to the company.
- (x) The Company has no accumulated losses at the end of the year and has not incurred cash losses in the current year and the immediately preceding financial year. (For the purpose of this clause the audit qualifications have not been considered).
- (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 of 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 is dealing or trading in shares, securities, debentures and other investments. Proper records have been maintained of the transactions and contracts and timely entries have been made therein; the shares, securities, debentures and other investments have been held by the company, in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year and hence this clause 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 been used to finance long-term investments.**
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Sec 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The management has disclosed on the end use of money during the year raised by rights issues during the previous year and the same has been verified ;
- (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 2011.

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

T.V. BALASUBRAMANIAN

Place : Chennai
Date : 14.02.2012

Partner
M.No : 27251



Balance sheet

(Amount in Rs.)

| Particulars | Schedule | As at June 30, 2011 | As at June 30, 2010 |
|--|----------|------------------------|------------------------|
| I. SOURCES OF FUNDS: | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | A | 413,500,600 | 200,000,000 |
| (b) Reserves & Surplus | B | 1,152,971,903 | 148,167,544 |
| | | <u>1,566,472,503</u> | <u>348,167,544</u> |
| (2) Loan funds | | | |
| Unsecured Loans | C | 21,876,120 | 21,876,120 |
| | | <u>21,876,120</u> | <u>21,876,120</u> |
| (3) Deferred Tax Liabilities | | 183,862 | 1,322,674 |
| (4) Total Funds Employed | | <u>1,588,532,485</u> | <u>371,366,338</u> |
| II. APPLICATION OF FUNDS: | | | |
| (5) Fixed Assets | D | | |
| (a) Gross Block | | 145,884,781 | 54,955,822 |
| (b) Less: Accumulated Depreciation & Amortisation | | 6,917,771 | 5,394,505 |
| (c) Net Block | | <u>138,967,010</u> | <u>49,561,317</u> |
| (6) Investments | E | 1,545,880,378 | 34,147,483 |
| (7) Current Assets, Loans & Advances | | | |
| (a) Stock in trade | F | 320,000,000 | 92,470,000 |
| (b) Sundry Debtors | G | 65,226,618 | - |
| (c) Cash and Bank Balances | H | 855,273 | 26,805,895 |
| (d) Loans and Advances | I | 87,826,833 | 329,460,568 |
| | | <u>473,908,724</u> | <u>448,736,463</u> |
| (8) Current Liabilities & Provisions | | | |
| (a) Liabilities | J | 569,964,445 | 160,742,908 |
| (b) Provisions | K | 259,182 | 336,017 |
| | | <u>570,223,627</u> | <u>161,078,925</u> |
| (9) Net Current Assets | | <u>(96,314,903)</u> | <u>287,657,538</u> |
| (10) Total Assets (Net) | | <u>1,588,532,485</u> | <u>371,366,338</u> |
| (11) Statement of Significant Accounting Policies and Notes to Accounts | O | | |

The Schedules referred to above form an integral part of the Balance sheet.
This is the Balance Sheet referred to in our report of even date

For and on behalf of
PKF Sridhar & Santhanam
Chartered Accountants
Firm No : 003990S

Vikram Mankal
Managing Director & CEO

For and on behalf of the Board of Directors
K.N. Narayanan
Director

T.V. Balasubramanian
Partner
M. No : 27251

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 14.02.2012

Profit and Loss account

(Amount in Rs.)

| | Schedule | For the Year ended 30 th June 2011 | For the 15 Months period ended 30 th June 2010 |
|--|----------|--|--|
| I. Income | | | |
| (a) Operating Income - from Infrastructure Development projects | | 319,061,142 | – |
| (b) Other Income | L | 11,462,542 | 36,445,898 |
| Total Income | | 330,523,684 | 36,445,898 |
| II. Expenditure: | | | |
| (a) Direct expenses | | | |
| (i) Cost of land & development | | 200,000,000 | |
| (ii) Equipments and erection expenses | | 94,028,472 | |
| (b) Administration & Other Expenses | M | 24,305,530 | 16,125,973 |
| (c) Depreciation | D | 1,661,553 | 2,619,574 |
| Less: Withdrawal from Revaluation Reserve | | 571,320 | 743,360 |
| Less: Goodwill amortisation pertaining to previous years | | – | 568,110 |
| | | 1,090,233 | 1,308,104 |
| (d) Interest & Finance charges | N | 553,306 | – |
| Total Expenditure | | 319,977,541 | 17,434,077 |
| III. Profit Before Taxation before prior period item | | 10,546,143 | 19,011,821 |
| Prior year expenses | | – | 2,136,864 |
| Profit Before taxation and after prior period item | | 10,546,143 | 16,874,957 |
| IV. Profit After Taxation | | | |
| (a) Provision for Taxation | | | |
| - Current Year | | 2,200,000 | 2,821,901 |
| - Previous Year | | 6,239,360 | 2,079,617 |
| - Deffered Tax | | (1,138,815) | 1,322,675 |
| - Mat Credit Entitlement account (current year) | | (2,200,000) | (2,821,901) |
| - Mat Credit Entitlement account (previous year) | | (81,282) | – |
| V. Net profit for the year | | 5,526,880 | 13,472,665 |
| Surplus brought forward from previous year | | 31,014,439 | 17,541,774 |
| VI. Profit available for Appropriation & Surplus carried to Balance Sheet | | 36,541,319 | 31,014,439 |
| Earnings per Share (In Rupees) | | | |
| Basic Earning per Share (In Rupees) | | 0.13 | 0.85 |
| Diluted Earning per Share (In Rupees) | | 0.13 | 0.85 |
| Statement of Significant Accounting Policies and Notes to Accounts | O | | |

The Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our report of even date

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm No : 003990S

Vikram Mankal
Managing Director & CEO

For and on behalf of the Board of Directors

K.N. Narayanan
Director

T.V. Balasubramanian
Partner
M. No : 27251

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 14.02.20120



Schedules forming part of the Balance Sheet

(Amount in Rs.)

| | As at June 30, 2011 | As at June 30, 2010 |
|---|------------------------|------------------------|
| SCHEDULE 'A' CAPITAL | | |
| Authorised: | | |
| 4,41,50,000 Equity shares (Previous Year 2,70,00,000 of Rs 10/- each) of Rs. 10/- each | 441,500,000 | 270,000,000 |
| Issued, subscribed : | | |
| 4,13,50,060 Equity shares (Previous Year 2,00,00,000 of Rs 10/- each) of Rs. 10/- each | 413,500,600 | 200,000,000 |
| Paid-up: | | |
| 4,13,50,060 Equity shares (Previous Year 2,00,00,000 of Rs 10/- each) of Rs. 10/- each | 413,500,600 | 200,000,000 |
| Notes: | | |
| (i) Consequent to the merger of Valagam Power Projects Private Limited and Black Gold Chemicals Private Limited with the Company with effect from 1 st July 2010, the Company has ceased to be a subsidiary of M/s Shri Housing Private Limited and with effect from the date of merger 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 of the Company. Refer Note - 2 of Schedule O for information regarding shares issued pursuant to amalgamation. | | |
| SCHEDULE 'B' RESERVES AND SURPLUS | | |
| Fixed Assets Revaluation Reserve: | | |
| Balance as per last account | 20,195,783 | 20,939,144 |
| Add: Fixed Assets revalued (net) | - | - |
| Less: Incremental depreciation for the year on revaluation | 571,320 | 743,360 |
| Less: Loss on asset sold | 885,453 | - |
| Less: Transfer to General Reserve (for asset sold) | 1,087,667 | - |
| | 17,651,343 | 20,195,784 |
| Securities Premium Account: | | |
| Balance as per last account | 96,957,321 | - |
| Add: Premium on Current year issue | 854,002,400 | 100,000,000 |
| Less: Expenses related to Rights Issue | 95,594 | 3,042,679 |
| | 950,864,127 | 96,957,321 |
| Capital reserve (Refer note 2 of Schedule O) | 146,827,447 | - |
| General Reserve (Created out of Reserve transferred from Fixed asset revaluation reserve on sale of revalued asset) | 1,087,667 | - |
| Profit and Loss Account | 36,541,319 | 31,014,439 |
| Total | 1,152,971,903 | 148,167,544 |
| SCHEDULE 'C' UNSECURED LOANS | | |
| Other than Short term borrowings (Refer Note 6 of Schedule O) | 21,876,120 | 21,876,120 |
| Total | 21,876,120 | 21,876,120 |

Schedules forming part of the Balance Sheet

SCHEDULE 'D' FIXED ASSETS

(Amount in Rs.)

| Asset | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | | |
|--------------------------------------|---------------------|------------|------------|-----------------------------|--------------------|-----------------|------------|---------------------|---------------------|
| | As on 01.07.2010 | Additions | Deductions | As at 30.06.2011 | Upto 30.06.2010 | For the Year | Deductions | As at 30.06.2011 | As on 30.06.2010 |
| Tangible assets | | | | | | | | | |
| Tangible Assets: | | | | | | | | | |
| Land | - | 92,470,000 | - | 92,470,000 | - | - | - | 92,470,000 | - |
| Buildings **** | 2,329,741 | - | 2,329,741 | - | 127,211 | 11,076 | 138,287 | - | 2,202,530 |
| Building (operating lease) **** | 48,295,691 | - | - | 48,295,691 | 2,614,715 | 787,220 | - | 44,893,756 | 45,680,976 |
| Assets Given on Lease - Machinery | - | - | - | - | - | - | - | - | - |
| Machinery | 94,663 | - | - | 94,663 | 58,777 | 6,940 | - | 28,946 | 35,886 |
| Vehicles | 448,323 | 788,700 | - | 1,237,023 | 131,992 | 98,837 | - | 1,006,194 | 316,331 |
| Intangible assets | | | | | | | | | |
| Goodwill | 3,787,404 | - | - | 3,787,404 | 2,461,810 | 757,480 | - | 568,114 | 1,325,594 |
| Total | 54,955,822 | 93,258,700 | 2,329,741 | 145,884,781 | 5,394,505 | 1,661,553 | 138,287 | 138,967,010 | 49,561,317 |
| Previous Year | 109,003,384 | - | 54,047,562 | 54,955,822 | 56,767,731 | 2,619,574 | 53,992,800 | 49,561,317 | |

Notes:

- (i) Buildings: As at 31st March, 2009 the Company had revalued its buildings in Nandanam (Karumuttu Center) & Thiruvottiyur. These were revalued to reflect the current value based on Valuation report given by Registered Valuer dated 30th March, 2009. The Valuation has been adopted based on Comparative Sale Method. The difference of Rs 20,939,144 between the revalued amount and book value thereof has been credited to Fixed Assets Revaluation Reserve (net).
- (ii) **** Depreciation on Buildings includes Rs 5,71,320 incremental depreciation for the year on revaluation.
- (iii) Land held as stock-in-trade has been transferred to fixed assets during the year at book value of Rs.9,24,70,000, reflecting the intention of the company to hold it for own use.



Schedules forming part of the Balance Sheet (Contd.)

(Amount in Rs.)

| | As at June 30, 2011 | | As at June 30, 2010 | |
|--|---------------------|----------------------|---------------------|-------------------|
| SCHEDULE 'E' INVESTMENTS | | | | |
| I. Long Term Investments: | | | | |
| (At Cost less Provision for Diminution in Value) | | | | |
| Non Trade | | | | |
| Shares Quoted | | | | |
| Ennore Coke Limited - 5,75,430 Equity Shares of Rs 10/- each fully paid up (Previous Year 420,620) | 48,452,526 | | 30,459,354 | |
| Orient Green Power - 31,56,850 shares of Rs. 10/- each (Previous year - Nil) | 97,335,473 | | — | |
| Less: Diminution in Value of Investment for Orient Green Power | (1,682,918) | 144,105,081 | | 30,459,354 |
| Shares - Unquoted | | | | |
| Subsidiaries | | | | |
| Emas Engineers & Contractors Pvt Ltd - 60,24,050 Equity Shares of Rs. 10/- each (Previous year Nil) | 185,462,500 | | — | |
| RCI Power Limited- 1,49,13,500 shares of Rs 10 each | 609,280,591 | | — | |
| RCI Power (AP)Limited- 49,940 shares of Rs 10 each | 78,588,176 | 873,331,267 | — | |
| Associates | | | | |
| Haldia Coke & Chemicals Private Limited- 1,37,50,000 shares of Rs10 each (Previous year 2000) | 527,587,500 | | 200,000 | |
| Others | | | | |
| Yogya Housing Finance Limited - Nil Equity Shares of Rs 10/- each fully paid up (Previous Year 70) | — | 527,587,500 | 700 | 200,700 |
| Total | | 1,545,023,848 | | 30,660,054 |
| II. Current Investments: | | | | |
| (At Lower of Cost or Fair Value) | | | | |
| Shares - Quoted | | | | |
| 3i Infotech Limited - 1,000 Equity Shares of Rs 10/- each fully paid up (Previous Year 1000) | 46,200 | | 60,450 | |
| ABG Shipyard Limited - Nil Equity Shares of Rs 10/- each fully paid up (Previous Year 500) | — | | 130,650 | |
| Assam Company - 1000 Equity Shares of Rs.10/- each (Previous year - Nil) | 15,000 | | — | |
| Balrampur Chini Mills Limited - Nil Equity Shares of Rs 1/- each fully paid up (Previous Year 500) | — | | 42,100 | |
| BGR Energy Systems - 200 Equity Shares of Rs. 10 (Previous year Nil) | 89,810 | | — | |
| Bharti Airtel Limited - Nil (Previous year 400) | — | | 105,300 | |
| Bilcare Ltd - 700 Equity Shares of Rs. 10 Each (Previous year Nil) | 286,860 | | — | |
| Century Textiles Ltd - 750 Equity Shares of Rs.10 Each (Previous Year Nil) | 264,263 | | — | |
| Ranbaxy Laboratories Limited - Nil Equity Shares of Rs 5/- each fully paid up (Previous Year 350) | — | | 161,210 | |
| Reliance Communications Limited - Nil Equity Shares of Rs 5/- each fully paid up (Previous Year 250) | — | | 46,009 | |
| Reliance Industries Limited - Nil Equity Shares of Rs 10/- each fully paid up (Previous Year 400 shares) | — | | 120,962 | |

Schedules forming part of the Balance Sheet (Contd.)**SCHEDULE 'E' INVESTMENTS (Contd.)**

(Amount in Rs.)

| | As at June 30, 2011 | | As at June 30, 2010 | |
|--|---------------------|-----------------------------|---------------------|--------------------------|
| | | | | |
| Reliance Natural Resources Limited - Nil Equity Shares of Rs 5/- each fully paid up (Previous Year 1000) | - | | 66,000 | |
| Rural Electricification - 200 Equity Shares of Rs. 10/- each (Previous year - Nil) | 39,160 | | - | |
| Shriram EPC Limited - Nil Equity Shares of Rs 10/- each fully paid up (Previous Year 20,320) | - | | 2,485,393 | |
| SPIC - 1000 Equity Shares of Rs. 10 Each (Previous year Nil) | 27,298 | | - | |
| Tata Consultancy Services Limited - Nil Equity Shares of Rs 1/- each fully paid up (Previous Year 100) | - | | 75,115 | |
| Tata Steel Limited - 100 Equity Shares of Rs 10/- each fully paid up (Previous Year 400) | - | | 194,240 | |
| Torrent Pharma - 150 Equity Shares of Rs.5 Each (Previous year Nil) | 87,939 | 856,530 | - | 3,487,429 |
| Total | | <u>1,545,880,378</u> | | <u>34,147,483</u> |
| Notes: | | | | |
| Aggregate amount of Quoted Investments | | 144,961,611 | | 33,946,783 |
| Market Value as at 30 th June, 2011: Rs 90,334,111 (Previous Year - Rs 47,478,780) | | | | |
| Aggregate amount of Unquoted Investments | | <u>1,400,918,767</u> | | 200,700 |
| | | <u>1,545,880,378</u> | | <u>34,147,483</u> |

Provision for Diminution in Value of Investments (Previous year Rs. 1,09,759 Current Year Rs. 19,65,308)

During the year, Investments in Orient Green Power Company Limited have been reclassified from Current Investments to Long term Investments. The transfer is made at Market Value being lower of cost or Market value as on the date of reclassification.

(Quantity in Nos.)
(Value in Rupees)

| Asset | 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 |
| I Long Term Investments - Non Trade | | | | | | | | | | |
| Shares - Quoted | | | | | | | | | | |
| Orient Green Power (Refer note under investments) | | | 3,176,850 | 97,974,863 | 20,000 | 599,705 | (39,685) | 1,682,918 | 3,156,850 | 95,652,555 |
| Ennore Coke Limited | 420,620 | 30,459,354 | 247,763 | 25,708,674 | 92,953 | 8,688,388 | 972,886 | - | 575,430 | 48,452,526 |
| Shares - Unquoted | | | | | | | | | | |
| Emas Engineers & Contractors Pvt Ltd. | - | - | 6,424,050 | 185,462,500 | - | - | - | - | 6,424,050 | 185,462,500 |
| Haldia Chemicals Limited | 2,000 | 200,000 | 13,750,000 | 527,587,500 | 2,000 | 200,000 | - | - | 13,750,000 | 527,587,500 |
| Yogya Housing Finance Limited | 70 | 700 | - | - | 70 | - | (700) | - | - | - |
| RCI Power Limited | - | - | 14,913,500 | 609,280,591 | - | - | - | - | 14,913,500 | 609,280,591 |
| RCI Power (AP) Limited | - | - | 49,940 | 78,588,176 | - | - | - | - | 49,940 | 78,588,176 |
| Sub -Total | 422,690 | 30,660,054 | 38,562,103 | 1,524,602,304 | 115,023 | 9,488,093 | 932,501 | 1,682,918 | 38,869,770 | 1,545,023,848 |



Schedules forming part of the Balance Sheet (Contd.)

(Quantity in Nos.)
(Value in Rupees)

SCHEDULE 'E' INVESTMENTS (Contd.)

| Asset | 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 |
| II. Current Investments - Non Trade | | | | | | | | | | |
| Shares - Quoted | | | | | | | | | | |
| 3i Infotech Limited | 1,000 | 81,304 | - | - | - | - | - | 35,105 | 1,000 | 46,199 |
| ABG Shipyard Limited | 500 | 146,578 | | | 500 | 193,987 | 47,409 | | - | - |
| Assam Company Limited | - | - | 1,000 | 25,796 | | | | 10,796 | 1,000 | 15,000 |
| Bajaj Hindustan Limited | - | - | - | - | - | - | | - | - | - |
| Balrampur Chini Mills Limited | 500 | 49,326 | | | 500 | 35,505 | (13,821) | | - | - |
| BGR Green Energy Ltd | - | - | 300 | 197,450 | 100 | 65,232 | (3,675) | 38,733 | 200 | 89,810 |
| Bharti Airtel Limited | 400 | 132,530 | 100 | 32,783 | 500 | 172,888 | 7,575 | | - | - |
| Bilcare Ltd | | | 1,200 | 752,094 | 500 | 337,329 | (1,494) | 126,410 | 700 | 286,861 |
| Century Textile | | | 750 | 319,573 | | | | 55,311 | 750 | 264,262 |
| Essar Oil Limited | | | 500 | 71,216 | 500 | 68,147 | (3,069) | - | - | - |
| Hitachi Home Appliances Ltd | | | 250 | 79,158 | 250 | 87,136 | 7,978 | - | - | - |
| Indian Overseas Bank | | | 750 | 118,240 | 750 | 111,877 | (6,363) | - | - | - |
| Indo Solar | | | 500 | 14,425 | 500 | 8,948 | (5,477) | - | - | - |
| Munjjal Show | | | 500 | 33,640 | 500 | 31,353 | (2,287) | - | - | - |
| Nagar Shipping | | | 500 | 49,406 | 500 | 62,507 | 13,101 | - | - | - |
| Ranbaxy Laboratories Limited | 350 | 170,089 | 100 | 57,443 | 450 | 247,744 | 20,212 | | - | - |
| Reliance Communications Limited | 250 | 46,009 | | | 250 | 31,870 | (14,139) | - | - | - |
| Reliance Industries Limited | 200 | 120,962 | 500 | 492,536 | 700 | 720,233 | 106,735 | - | - | - |
| Reliance Natural Resources Limited | 1,000 | 85,304 | | | 1,000 | 38,876 | (46,428) | | - | - |
| Rohit Ferro Alloys Ltd | | | 1,000 | 59,653 | 1,000 | 55,057 | (4,596) | | - | - |
| Rural Electrification Ltd | | | 200 | 55,195 | | | | 16,035 | 200 | 39,160 |
| Sarla Performance Fibers | | | 500 | 70,290 | 500 | 55,178 | (15,112) | | - | - |
| Shriram EPC Limited | 20,320 | 2,485,393 | 500 | 80,332 | 20,820 | 4,594,345 | 2,028,620 | | - | - |
| Southern Petrochemicals Ltd | | | 1,000 | 27,298 | | | | | 1,000 | 27,298 |
| Sterlite | | | 500 | 83,167 | 500 | 87,035 | 3,868 | | - | - |
| Subex Ltd | | | 500 | 29,623 | 500 | 39,912 | 10,289 | | - | - |
| Tata Consultancy Services Limited | 100 | 80,269 | 100 | 77,520 | 200 | 159,734 | 1,945 | | - | - |
| Tata Steel Limited | 400 | 199,424 | 300 | 170,658 | 700 | 414,736 | 44,655 | | - | 1 |
| Tornet Pharma Ltd | | | 250 | 146,565 | 100 | 60,939 | 2,313 | | 150 | 87,939 |
| Diminution in Value of Investments | | (109,759) | | | | | | | | |
| Sub-Total | | 3,487,429 | | 3,044,061 | | 7,680,568 | 2,178,239 | 282,390 | | 856,530 |
| Total | 422,690 | 34,147,483 | 38,562,103 | 1,527,646,365 | 115,023 | 17,168,661 | 3,110,740 | 1,965,308 | 38,869,770 | 1,545,880,378 |

Schedules forming part of the Balance Sheet (Contd.)

(Amount in Rs.)

| | As at June 30, 2011 | As at June 30, 2010 |
|---|------------------------|------------------------|
| SCHEDULE 'F' STOCK - IN - TRADE | | |
| Property Held for Development | - | 92,470,000 |
| Project Work - in - progress (Advance payment made) | 320,000,000 | - |
| Total stock in trade | 320,000,000 | 92,470,000 |
| SCHEDULE 'G' SUNDRY DEBTORS | | |
| Sundry Debtors (Unsecured, Considered Good) | | |
| - due for more than 6 months | - | - |
| - Others | 65,226,618 | - |
| Total | 65,226,618 | - |
| SCHEDULE 'H' CASH & BANK BALANCE | | |
| Cash and Bank Balances | | |
| (a) Cash in hand | 112,860 | 191,329 |
| (b) Balances in Scheduled Banks (in current account) | 742,413 | 26,614,566 |
| Total Cash & Bank | 855,273 | 26,805,895 |
| SCHEDULE 'I' LOANS & ADVANCES | | |
| Loans & Advances: | | |
| (Unsecured Considered Good unless otherwise stated) | | |
| (a) Advances recoverable in cash or in kind to be received | 81,305,718 | 273,366,080 |
| (b) Advance Income tax net of provisions | 2,334,365 | 3,607,738 |
| (c) Interest free ICD to firms / companies in which directors are interested ** | | |
| - Shriram Auto Finance (Partnership Firm) | - | 48,300,000 |
| (d) Deposits | 4,186,750 | 4,186,750 |
| Total Loans & Advances | 87,826,833 | 329,460,568 |
| Note:Advances recoverable includes dues from Associate Haldia Coke&Chemicals Pvt Ltd-Rs.21,353 | | |
| SCHEDULE 'J' CURRENT LIABILITIES | | |
| Sundry Creditors: | | |
| (a) for accrued salaries | 1,095,167 | 1,211,495 |
| (b) for other liabilities | 116,183,833 | 37,370,854 |
| | 117,279,000 | 38,582,349 |
| Advances & Deposits received | 448,281,400 | 121,281,400 |
| Other Payables | 4,404,045 | 879,159 |
| Total Current Liabilities | 569,964,445 | 160,742,908 |
| SCHEDULE 'K' PROVISIONS | | |
| Provision for Gratuity | 259,182 | 336,017 |
| Total | 259,182 | 336,017 |

Note: Dues to Investors Protection & Education fund during the year - NIL

Schedules forming part of the Profit & Loss Account

(Amount in Rs.)

| | For the year ended 30 th June 2011 | For the 15 months period ended 30 th June 2010 |
|---|---|---|
| SCHEDULE 'L' INCOME | | |
| Dividend from Current Investments (Trade) - Gross | 36,697 | 49,638 |
| Profit on Sale of Shares from Current Investments (Trade) - Gross | 3,110,740 | 24,057,494 |
| Interest Income - Gross | | |
| (Tax Deducted at Source NIL - (Previous Year - Rs 3,70,659/-)) | 1,126,027 | 5,388,043 |
| Rental Income -Gross | | |
| (Tax Deducted at Source Rs.1,80,651/--(Previous Year - Rs. 6,23,446/-)) | 3,422,100 | 4,277,625 |
| Write back of Creditors / Trading Liabilities no longer required | 3,766,978 | 2,673,098 |
| Total Other Income | 11,462,542 | 36,445,898 |



Schedules forming part of the Profit & Loss Account (Contd.)

(Amount in Rs.)

| | For the year ended 30 th June 2011 | For the 15 months period ended 30 th June 2010 |
|---|--|---|
| SCHEDULE 'M' ADMINISTRATION AND OTHER EXPENSES | | |
| Expenditure on Employees | 12,748,865 | 9,017,036 |
| Advertisement & Publicity | 394,362 | 472,515 |
| Legal & Professional Fees | 4,422,106 | 1,221,909 |
| Rent | 480,000 | 600,000 |
| Rates & Taxes | 235,036 | 756,185 |
| Repairs & Maintenance | - | 379,278 |
| - Buildings | 168,275 | - |
| - Vehicles | 63,342 | - |
| - Office equipments | 36,705 | - |
| - Others | 68,370 | - |
| Insurance | 10,318 | - |
| Donation | 3,500 | - |
| Printing & Stationery | 221,990 | 397,575 |
| Communication expenses | 324,407 | 348,670 |
| Travelling & Conveyance | 929,783 | 752,895 |
| Listing & Depository Fees | 352,840 | 345,407 |
| Training Expenses | - | 100,000 |
| Sitting Fees to Directors | 60,000 | 85,000 |
| Auditors' Fees | 1,050,450 | 691,800 |
| Electricity Expenses | 100,111 | 97,697 |
| Miscellaneous Expenses | 238,345 | 159,950 |
| Project Expenses | - | 300,000 |
| Provision for Diminution in Value of Investments | 1,855,549 | 109,759 |
| Provision for Gratuity | (76,835) | 290,297 |
| Advances Written off | 618,011 | - |
| Total | 24,305,530 | 16,125,973 |
| SCHEDULE 'N' FINANCE CHARGES | | |
| Bank Charges | 4,430 | - |
| Interest | | |
| Paid to Others | 548,876 | - |
| Total | 553,306 | - |

Notes forming part of Financial Statements

SCHEDULE 'O'

(1) Statement of Significant Accounting Policies

- (i) Basis of preparation of financial statements
The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting 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.
- (ii) 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.
- (iii) Revenue Recognition
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 and recognised on sale.

Notes forming part of Financial Statements (Contd.)

Rental income is recognised on straight line basis over the primary period of the arrangement.
Revenue from Infrastructure Development is recognised on percentage of completion method.

(iv) Expenditure

Expenses are accounted for on accrual basis.

A Provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle an obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on a best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(v) Fixed assets

(a) Tangibles

- i. Buildings are stated at revalued amount less accumulated depreciation and impairment losses, if any.
- ii. Other fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any.

(b) Intangibles:

Goodwill is amortised using Straight line method over a period of 5 years. Goodwill is tested for impairment every year.

(vi) Impairment:

All the fixed assets are periodically assessed using external (if need be) and internal sources for any indication of impairment at the end of each financial year. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss, if any, is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from these estimates.

(vii) 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

(viii) 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 or 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.

(ix) Employee Benefits:

(a) 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 profit and loss account.

(b) 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 retirement benefit as per AS 15 does not arise.

(c) 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 profit and loss account on an accrual basis. Actuarial gains and losses arising during the year are recognized in the profit and loss account. During the previous year gratuity was provided for on basis of actual payment due if all the employees retire on the balance sheet date.

(x) Taxes on Income

In accordance with the provisions of the Income Tax Act 1961, current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the year. Deferred tax is accounted for under the liability method, subject to the consideration of prudence for deferred tax assets, on timing differences being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent years

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



Notes forming part of Financial Statements (Contd.)

Guidance Note issued by the Institute of Chartered Accountants of India by way of credit to the Profit & Loss Account 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.

(xi) **Contingent Asset and Liabilities:**

Provision is not recognized for:-

- (a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company; or
- (b) Any present obligation that arises from past events but is not recognized because :-
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle an obligation ;or
 - A reliable estimate of the amount of obligation cannot be made.

Such Obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are recognized in the Financial Statements only when certainty of realization is ascertained.

(2) M/s. Valagam Power Projects Private Limited and M/s. Blackgold Chemicals Private Limited have merged with Premier Energy and Infrastructure Ltd pursuant to provisions of Section 391 to 394 of the Companies Act, 1956 with effect from 01.07.2010. Valagam Power Projects Pvt Ltd has two subsidiaries viz: 1) RCI Power Ltd and 2) RCI Power (AP) Ltd and two step down subsidiaries RCI Windfarm 50 MW Pvt. Ltd. And RCI Windfarm 30 MW Pvt. Ltd.

Order of Scheme of amalgamation was passed by the Hon'ble Madras High Court on 30th November 2011

Consequent to the amalgamation, 5 equity shares of Premier Energy of Rs. 10/- each fully paid up were issued in exchange for 1 equity share of Valagam Power Projects Pvt Ltd of Re. 1 each fully paid up and 1 equity share of Premier Energy of Rs. 10 each fully paid up was issued in exchange for 1 equity share of Black Gold Chemicals Pvt Ltd of Re. 1 each fully paid up. The share price of Premier Energy was valued at Rs. 50/- per share.

Capital reserve is as computed below:

| Particulars | Valagam Power Projects Pvt Ltd | Black gold Chemicals Pvt Ltd |
|--|---------------------------------------|-------------------------------------|
| Net Current Assets | (2,51,860) | (8,73,960) |
| Investments | 68,78,68,767 | 52,75,87,500 |
| Total Assets | 68,76,16,907 | 52,67,13,540 |
| Shares issued pursuant to scheme of Amalgamation | 7,50,00,000 | 13,85,00,600 |
| Share premium | 30,00,00,000 | 55,40,02,400 |
| Total | 37,50,00,000 | 69,25,03,000 |
| Goodwill / (Capital Reserve) | (31,26,16,907) | 16,57,89,460 |
| Net Capital Reserve | | (14,68,27,447) |

(3) **Contingent Liabilities:**

Claims against the Company not acknowledged as debts:

- (a) HUDCO has filed a case against the company for recovery of Rs 2.10 Crores (Previous year 2.10 Crores) as against Rs 56 lacs (Previous year Rs. 56 lacs) 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 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.

(4) **Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) - 12.06 crores. (Previous Year - Nil)

(5) **Rights Issue:**

During the period ended 30th June,2010, pursuant to the decision of the shareholders of the Company at the Extra Ordinary General Meeting held on December 22, 2009; 10,000,000 equity shares of Rs 10/- each for cash at a price of Rs 20/- per share (including a share premium of Rs 10/- per equity share) aggregating to Rs 200,000,000 on rights basis to the existing shareholders (with renunciation rights) in the ratio of 1 equity shares for every 1 equity share held by the existing shareholders on the record date, i.e. May 7,2010.

Notes forming part of Financial Statements (Contd.)

The proceeds from Rights issue is for the following intended purposes:

| S. No. | Objects of the Rights issue | Amount (Rs. in lacs) |
|--------|--|----------------------|
| 1 | Investments in 50.1% Equity Shares of EMAS Engineers and Contractors Private Limited | 1,850 |
| 2 | General Corporate Expenses | 100 |
| 3 | Issue Expenses | 50 |
| | Total | 2,000 |

Funds Utilisation from Rights Issue:

| S. No. | Utilisation of Rights issue proceeds | Amount (Rs. in lacs) |
|--------|---|----------------------|
| 1. | Investment in 50.1% of EMAS Engineers & Contractors Private Limited | 1,850.00 |
| 2. | Issue expenses | 31.38 |
| 3. | Deposit with Bombay stock exchange for listing | 20.00 |
| 4. | General Corporate Expenses | 98.62 |
| | Total funds utilised from Rights Issue | 2000.00 |

M/s Premier Energy and Infrastructure Limited entered into a Memorandum of Understanding dated September 14, 2009 with M/s EMAS Engineers and Contractors Private Limited for subscription of 6,024,050 equity shares fully paid up equity shares having face value of Rs 10/- each at a price of Rs 30.71/- per equity share (including equity share premium of Rs 20.71/- per share) for Rs 1,850 lacs as per valuation report duly certified by a chartered accountant dated September 10, 2009. After investment of equity shares, Premier will hold and control 50.1% of equity share capital in M/s EMAS Engineers and Contractors Private Limited.

- (6) Unsecured Loans (Other than Short Term Borrowings) include Rs.21,876,120 (Previous year Rs. 21,876,120) / and current liabilities include Rs.31,370,885 (Previous year Rs.35,120,885) representing Unclaimed amounts by some parties under the scheme of arrangement to be settled as and when claims are received.

(7) Segmental Reporting:

The Company has carried out business operations during the reporting period only in one segment. Hence, segmental reporting does not arise.

(8) Impairment of Assets:

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

(9) Deferred Tax Liability:

Deferred Tax asset/(Liability) as at June 30,2011 comprises of: (In Rupees)

| Particulars | As at 30 th June, 2011 | As at 30 th June, 2010 |
|--|-----------------------------------|-----------------------------------|
| Deferred tax liability due to difference between WDV in books and Income tax | 2,63,947 | 13,22,675 |
| Deferred tax Asset due to Employee Provisions | -80,087 | - |
| Deferred tax liability for the year | 1,83,860 | 13,22,675 |

(10) Related Party Disclosure

List of related parties and the relationship

| | |
|--------------------|--|
| Controlling Entity | Shriram Auto Finance (Partnership firm)* |
| Subsidiaries | RCI Power Limited |
| | RCI Power (AP) Limited |
| | EMAS Engineers and Contractors Pvt.Ltd. |
| | RCI Windfarm 30 MW Private Limited |
| | RCI Windfarm 50 MW Private Limited |
| Associate | Haldia Coke & Chemicals Private Limited. |
| | Shri Housing Private Limited* |
| | Ennore Coke Limited |

Note:

* Consequent to the merger of M/s. Valagam Power Projects Private 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 M/s 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.



Notes forming part of Financial Statements (Contd.)

The related parties have been identified on the basis of the requirements of the Accounting Standard 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:

Loans & advances given to / taken from related parties:

| Party | Opening Balance in Rs. | Received during the year | Paid during the year | Closing balance |
|--|-------------------------|--------------------------|----------------------|-----------------|
| Shriram Auto Finance | 48,300,000 (receivable) | 563,922,400 | 518,587,400 | NIL |
| Haldia Coke & Chemicals Private Limited. | NIL | 18,500,000 | 18,500,000 | NIL |
| EMAS Engineers and Contractors Pvt. Ltd. | 34,000,000 (payable) | NIL | 34,000,000 | NIL |
| Ennore Coke Limited | NIL | 465,000,000 | 465,000,000 | NIL |

Interest Paid:

| Party | Amount (Rs) |
|---|---------------|
| Haldia Coke & Chemicals Private Limited | 545,523 (Nil) |

(11) Earnings Per Share (EPS):

Calculation of EPS - (Basic and Diluted)

| Party | For the 12 months period ending on 30.06.2011 | For the 15 months period ending on 30.06.2010 |
|---|---|---|
| Profit after Tax in Rs.lakhs | 5,526,880 | 13,472,665 |
| Profit after Tax for diluted EPS in Rs. Lakhs | 5,526,880 | 13,472,665 |
| Weighted average number of shares for basic EPS | 41,350,060 | 15,929,898 |
| Weighted average number of shares for diluted EPS | 41,350,060 | 15,929,898 |
| Nominal value of shares | Rs.10 | Rs.10 |
| Basic Earnings per ordinary share in Rs. | 0.13 | 0.85 |
| Diluted earnings per ordinary share in Rs. | 0.13 | 0.85 |

(12) Information regarding value of direct imports (CIF Value), expenditure , earnings in foreign currency - NIL (Previous year NIL)

(13) Exposure on Derivatives & Un hedged foreign currency exposure - NIL (Previous year NIL)

(14) Auditors' remuneration (Net of service tax):

| Particulars | For year ended 30.06.2011 (Rs.) | For fifteen months ended 30.06.2010 (Rs.) |
|-----------------|---------------------------------|---|
| Statutory Audit | 1,050,450 | 691,800 |

(15) Managerial Remuneration: The Company has not appointed the Managing Director as required under Sec 269 of the Companies Act, 1956. Hence, no remuneration paid during the year (Previous Year - Nil)

Notes forming part of Financial Statements (Contd.)**(16) Prior Period Income & Expenditure:**

| S. No. | Nature | For twelve months ending on 30 th June 2011 | For fifteen months ending on 30 th June 2010 |
|--------|---|--|---|
| 1 | Prior period expenses: | | |
| | A) Goodwill pertaining to earlier years now written off | – | 568,110 |
| | B) Expenses not accounted in earlier year | – | 668,754 |
| | C) Legal Expenses not accounted in earlier year | – | 900,000 |
| | D) Income Tax & interest relating to earlier years | 6,239,360 | |
| | Net effect in P & L Account | 6,239,360 | 2,136,864 |

(17) Employee benefits: Gratuity:

| S. No. | Nature | For the year ending on 30 th June 2011 |
|----------|---|---|
| A | Net asset/ (liability) recognized in the balance Sheet. | |
| | Present value of funded obligation | – |
| | Fair value of plan assets | – |
| | (Deficit) / surplus | – |
| | Present value of unfunded obligation | – |
| | Unrecognised past service cost | – |
| | Net asset / liability | – |
| | - Assets | – |
| | - Liability | (259,182) |
| B | Expense recognized in the Profit & loss account. | |
| | Current service cost | (259,182) |
| | Interest cost | – |
| | Expected return on plan assets | – |
| | Actuarial (gains) / losses | – |
| | Past service cost | – |
| | Adjustments made in the Current period | – |
| | Total expense | 259,182* |
| C | Change in present value of obligation during the year | |
| | Present value of defined benefit obligation as at the Beginning of the year | – |
| | Adjustment to opening balance | – |
| | Current service cost | (259,182) |
| | Interest cost | – |
| | Past service cost | – |
| | Actuarial (gains) / losses | – |
| | Benefits paid | – |
| | Present value of defined benefit obligation as at the end of the year | 259,182 |
| | Principal actuarial assumptions : | |
| | Discount rate. | 8% |
| | Mortality | LIC (1994-96) Ultimate Mortality Tables |
| | Expected return on plan assets | 0% |
| | Salary Escalation per annum | 10% |

Note: * The actual impact of Profit and Loss account is net off provision made in the previous year on an estimated basis.



Notes forming part of Financial Statements (Contd.)

(18) Disclosure as per Clause 32 of the Listing Agreement (Loans & Advances to Subsidiaries, Associates & Others)
- Refer Note 10 above.

(19) 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.

(20) Expenditure in Foreign Currency on account of Foreign Travel - Rs. 2,54,169/- (Previous Year: Nil)

(21) Supplementary Profit and Loss information:

Information with regard to other matters specified in Part II of Schedule VI to the act is either nil or not applicable to the company for the period.

(22) Previous period comparatives:

Previous period accounts have been drawn up for a cumulative period of 15 months and hence previous year figures are not comparable.

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

For and on behalf of

For and on behalf of

PKF Sridhar & Santhanam

Premier Energy and Infrastructure Limited

Chartered Accountants

Firm No : 003990S

T.V. Balasubramanian

Vikram Mankal

K.N. Narayanan

Partner

Managing Director & CEO

Director

M. No : 27251

Place : Chennai

Date : 14.02.2012

S. Sreenidhi
Company Secretary

Cash Flow Statement

Pursuant to Clause 32 of the Listing Agreement

(Amount in Rs.)

| | For the year ended 30 th June, 2011 | For the Fifteen months period ended 30 th June, 2010 |
|---|---|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax and Extraordinary items | 10,546,143 | 17,646,557 |
| Adjustments for: | | |
| Profit on sale of investment | (3,110,740) | (24,057,494) |
| Dividend income | (36,697) | (49,638) |
| Interest income | (1,126,027) | (5,388,043) |
| Diminution in value of investment | 1,855,549 | 109,759 |
| Interest expense | 553,306 | – |
| Depreciation | 1,090,233 | 1,104,614 |
| | 9,771,767 | (10,634,245) |
| Adjustments for: | | |
| Current Assets | (52,396,256) | (39,094,339) |
| Current Liabilities | 408,018,882 | (123,586,658) |
| Gratuity | 355,622,626 | (290,297) |
| Income Tax including Fringe Benefit Tax | (4,884,702) | (2,079,617) |
| Net cash generated from operations | 360,509,691 | (175,685,156) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Investments | (312,190,098) | (43,258,616) |
| Sale of Investments | 17,168,661 | 66,383,674 |
| Purchase of Fixed Asset | (93,258,700) | – |
| Sale of Fixed Asset | 1,306,000 | 54,762 |
| Dividend income | 36,697 | 49,638 |
| Interest earned | 1,126,027 | 5,388,043 |
| Net cash used in investing activities | (385,811,413) | 28,617,501 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Borrowings (Net) | – | (25,140,753) |
| Increase in Share Capital & Premium - Share issue Expenses | (95,594) | 197,009,321 |
| Interest paid | (553,306) | – |
| Net Cash used in Financing Activities | (648,900) | 171,868,568 |
| Net increase in Cash and Cash equivalent | (25,950,622) | 24,800,913 |
| Cash and Cash equivalent | | |
| - at the beginning of the year | 26,805,895 | 2,004,982 |
| - at the end of the year | 855,273 | 26,805,895 |
| | 25,950,622 | (24,800,913) |

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 14.02.2012

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Premier Energy and Infrastructure Limited for the year ended 30th June 2011. 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 Profit and Loss Account and balance Sheet of the Company by our Report dated 14th February 2012 to the Members of the Company.

For and on behalf of
PKF Sridhar & Santhanam
Chartered Accountants
Firm No : 003990S

T.V. Balasubramanian
Partner
M. No : 27251

Place : Chennai
Date : 14.02.2012



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT 1956

I REGISTRATION DETAILS

Registration no.

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| L | 4 | 5 | 2 | 0 | 1 | T | N | 1 | 9 | 8 | 8 | P | L | C | 0 | 1 | 5 | 5 | 2 | 1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Balance sheet date:

| | | | | | | | | | |
|---|---|--|---|---|--|---|---|---|---|
| 3 | 0 | | 0 | 6 | | 2 | 0 | 1 | 1 |
|---|---|--|---|---|--|---|---|---|---|

 State code:

| | |
|---|---|
| 1 | 8 |
|---|---|

Date Month Year

II CAPITAL RAISED DURING THE YEAR (Rs.in thousand)

Public issue:

| | | | | |
|---|---|---|--|--|
| N | I | L | | |
|---|---|---|--|--|

 Rights issue:

| | | | | |
|---|---|---|--|--|
| N | I | L | | |
|---|---|---|--|--|

Bonus issue:

| | | | | |
|---|---|---|--|--|
| N | I | L | | |
|---|---|---|--|--|

 Private Placement (Merger):

| | | | | | |
|---|---|---|---|---|---|
| 2 | 1 | 3 | 5 | 0 | 1 |
|---|---|---|---|---|---|

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs.in thousand)

Total liabilities:

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 5 | 8 | 8 | 5 | 3 | 2 |
|---|---|---|---|---|---|---|

 Total assets:

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 5 | 8 | 8 | 5 | 3 | 2 |
|---|---|---|---|---|---|---|

Source of Funds

Paid up capital

| | | | | | | |
|--|---|---|---|---|---|---|
| | 4 | 1 | 3 | 5 | 0 | 1 |
|--|---|---|---|---|---|---|

 Reserves & surplus

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 1 | 5 | 2 | 9 | 7 | 2 |
|---|---|---|---|---|---|---|

Unsecured loans

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 2 | 1 | 8 | 7 | 6 |
|--|--|---|---|---|---|---|

 Deferred Tax

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | 1 | 8 | 3 |
|--|--|--|--|---|---|---|

Application of funds

Net fixed assets

| | | | | | | |
|--|---|---|---|---|---|---|
| | 1 | 3 | 8 | 9 | 6 | 7 |
|--|---|---|---|---|---|---|

 Investments

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 5 | 4 | 5 | 8 | 8 | 0 |
|---|---|---|---|---|---|---|

Net current assets

| | | | | | | |
|---|---|---|---|---|---|---|
| (| 9 | 6 | 3 | 1 | 5 |) |
|---|---|---|---|---|---|---|

IV PERFORMANCE OF THE COMPANY (Rs. in thousand)

Turnover

| | | | | | | |
|--|---|---|---|---|---|---|
| | 3 | 3 | 0 | 5 | 3 | 4 |
|--|---|---|---|---|---|---|

 Total expenditure

| | | | | | | |
|--|---|---|---|---|---|---|
| | 3 | 1 | 9 | 9 | 7 | 8 |
|--|---|---|---|---|---|---|

Profit before tax

| | | | | | | |
|--|--|---|---|---|---|---|
| | | 1 | 0 | 5 | 4 | 6 |
|--|--|---|---|---|---|---|

 Profit after tax

| | | | | | | |
|--|--|--|---|---|---|---|
| | | | 5 | 5 | 2 | 7 |
|--|--|--|---|---|---|---|

Earnings per share (Rs.)

| | | | | | | |
|--|--|--|---|---|---|---|
| | | | 0 | . | 1 | 3 |
|--|--|--|---|---|---|---|

 Dividend rate

| | | | | | | |
|--|--|--|--|---|---|---|
| | | | | N | I | L |
|--|--|--|--|---|---|---|

V GENERIC NAMES OF PRODUCTS / SERVICES OF COMPANY

Item code no. (ITC Code)

| | | | | | |
|---|--|--|--|--|--|
| - | | | | | |
|---|--|--|--|--|--|

Product description

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|--|---|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E | N | E | R | G | Y | | & | | I | N | F | R | A | S | T | R | U | C | T | U | R | E |
|---|---|---|---|---|---|--|---|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 14.02.2012

AUDITORS' REPORT

TO THE MEMBERS OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED

1. We have audited the attached **Consolidated Balance Sheet of Premier Energy and Infrastructure Limited together with its subsidiaries and Associates ("The Group")**, as at **30th June 2011**, the **Profit and Loss Account and also the Cash Flow Statement** for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of EMAS Engineers and Contractors Private Limited, RCI Power Limited, RCI Power (AP) Limited, RCI Windfarm 30 MW Private Limited and RCI Windfarm 50 MW private Limited. ***In respect of these subsidiaries in the absence of audited financial statements, the unaudited financial information has been used for consolidation purpose. The total assets of these companies amounts to Rs.7997.62 lakhs, revenues amounts to Rs.18,569 lakhs and the net cash inflow amounts to Rs.1344.75 lakhs.***
4. ***We have relied on the unaudited financial statements of the Associate Haldia Coke and Chemicals Private Limited. The Groups Share of profits for the year ended 30th June 2011 included in the consolidated profit and loss account is Rs.863.29 lakhs.***
5. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting standards 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for investments in Associates) issued by the Institute of Chartered Accountants of India and as prescribed under Section 211 (3C) of the Companies Act 1956 .
6. Attention is drawn to the following without qualifying our report:
The company has applied for Central Government approval as required by provisions of Section 295 of the Companies Act, 1956 for the loans given to a partnership firm in which a director of the company is a partner amounting to Rs 21.04 crores (Outstanding as on 30th June, 2011 - Nil), which is pending for approval with the Ministry of Corporate affairs.
7. In our opinion and to the best of our information and according to the explanations given to us and on other financial information of the components as explained in paragraphs 3 and 4, the said consolidated accounts give the information required by the Companies Act, 1956, in the manner so required
subject to non- provision for gratuity by subsidiary EMAS Engineers and Contractors Private Limited (amount not quantified) as per requirements of Accounting Standard -15 on Retirement benefits as prescribed by the Institute of Chartered Accountants of India;
and in view of our inability to express an opinion
- ***on the computation of cost of land accounted as fixed asset of Rs 92,470,000***
- ***on the correctness of fixed assets revaluation reserve created in the past, in the absence of complete details.***
We are unable to state if the said accounts 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 30th June, 2011;
(b) in the case of the profit and loss account, of the profit of the Group for the year ended on that date; and
(c) in the case of the cash flow statement, of the cash flows of the Group for the year ended on that date

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

T.V. BALASUBRAMANIAN

Place : Chennai
Date : 14.02.2012

Partner
M.No : 27251



Consolidated Balance sheet

(Amount in Rs.)

| Particulars | Schedule | As at June 30, 2011 |
|--|----------|-----------------------------|
| I. Sources of Funds: | | |
| (1) Shareholders' Funds | | |
| (a) Share Capital | A | 413,500,600 |
| (b) Reserves & Surplus | B | <u>1,176,115,199</u> |
| | | 1,589,615,799 |
| (2) Minority Interest | | 211,380,023 |
| (3) Share Application money pending allotment | | 15,000,000 |
| (4) Loan funds | | |
| (a) Secured Loans | C | 504,968,613 |
| (b) Unsecured Loans | D | <u>60,518,867</u> |
| | | 565,487,480 |
| (5) Deferred Tax Liabilities | | <u>6,868,986</u> |
| (6) Total Funds Employed | | <u>2,388,352,288</u> |
| II. Application of Funds: | | |
| (7) Fixed Assets | E | |
| (a) Gross Block | | 1,349,144,571 |
| (b) Less: Accumulated Depreciation & Amortisation | | 249,626,834 |
| (c) Net Block | | 1,099,517,737 |
| (d) Capital WIP | | <u>3,386,250</u> |
| | | 1,102,903,987 |
| (8) Investments | F | 672,549,110 |
| (9) Current Assets, Loans & Advances | | |
| (a) Stock in trade | G | 1,227,923,958 |
| (b) Sundry Debtors | H | 206,551,391 |
| (c) Cash and Bank Balances | I | 135,330,330 |
| (d) Loans and Advances | J | <u>488,937,748</u> |
| | | 2,058,743,427 |
| (10) Current Liabilities & Provisions | | |
| (a) Liabilities | K | 1,350,160,554 |
| (b) Provisions | L | <u>95,741,182</u> |
| | | 1,445,901,736 |
| (11) Net Current Assets | | 612,841,691 |
| (12) Miscellaneous expenditure to the extent not written off | | 57,500 |
| (13) Total Assets (Net) | | <u>2,388,352,288</u> |
| (14) Statement of Significant Accounting Policies and Notes to Accounts | Q | |

The Schedules referred to above form an integral part of the Balance sheet.

This is the Balance Sheet referred to in our report of even date

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm No : 003990S

T.V. Balasubramanian
Partner
M. No : 27251

Place : Chennai
Date : 14.02.2012

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary

Consolidated Profit & Loss Account

(Amount in Rs.)

| Particulars | Schedule | for the year ended 30.06.2011 |
|--|----------|----------------------------------|
| I. INCOME | | |
| (a) Operating Income | | 2,175,968,865 |
| (b) Other Income | M | 28,097,063 |
| Total Income | | 2,204,065,928 |
| II. EXPENDITURE | | |
| (a) Direct expenses | N | 1,800,102,000 |
| (b) Administration & Other Expenses | O | 203,112,269 |
| (c) Tools written off | | 310,177 |
| (d) Preliminary expenses written off | | 17,500 |
| (e) Depreciation | E | 47,023,722 |
| Less: Withdrawal for Revaluation Reserve | | 571,320 |
| Less: Goodwill amortisation pertaining to previous years | | — |
| | | 46,452,402 |
| (f) Interest & Finance charges | P | 119,493,283 |
| TOTAL EXPENDITURE | | 2,169,487,631 |
| III. PROFIT BEFORE TAXATION BEFORE PRIOR PERIOD ITEM | | 34,578,297 |
| Prior year expenses | | — |
| Profit Before taxation and after prior period item | | 34,578,297 |
| IV. PROFIT AFTER TAXATION | | |
| (a) Provision for Taxation | | |
| - Current Year | | 11,700,000 |
| - Previous Year | | 6,239,360 |
| - Deffered Tax | | 1,355,083 |
| - Mat Credit Entitlement account | | (2,200,000) |
| - Mat Credit Entitlement account (previous year) | | (81,282) |
| V. PROFIT OF THE YEAR BEFORE MINORITY INTEREST | | 17,565,136 |
| VI. MINORITY INTEREST | | 6,149,583 |
| VII. SHARE OF PROFIT OF ASSOCIATES | | 86,329,215 |
| VIII. NET PROFIT FOR THE YEAR | | 97,744,767 |
| Surplus brought forward from previous year | | 31,014,439 |
| IX. PROFIT AVAILABLE FOR APPROPRIATION & SURPLUS CARRIED TO BALANCE SHEET | | 128,759,206 |
| Earnings per Share (In Rupees) | | 2.36 |
| Basic Earning per Share (In Rupees) | | 2.36 |
| Diluted Earning per Share (In Rupees) | | 2.36 |
| Statement of Significant Accounting Policies and Notes to Accounts | Q | |

The Schedules referred to above form an integral part of the Profit & Loss Account.

This is the Profit & Loss Account referred to in our report of even date

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm No : 003990S

T.V. Balasubramanian
Partner
M. No : 27251

Place : Chennai
Date : 14.02.2012

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary



Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | As at June 30, 2011 |
|---|--------------------------------|
| SCHEDULE 'A' CAPITAL | |
| Authorised: | |
| 4,41,50,000 Equity shares (Previous Year 2,70,00,000 of Rs 10/- each) of Rs. 10/- each | 441,500,000 |
| Issued, subscribed: | |
| 4,13,50,060 Equity shares (Previous Year 2,00,00,000 of Rs 10/- each) of Rs. 10/- each | 413,500,600 |
| Paid-up: | |
| 4,13,50,060 Equity shares (Previous Year 2,00,00,000 of Rs 10/- each) of Rs. 10/- each | 413,500,600 |
| | <u>413,500,600</u> |
| Note | |
| (i) Consequent to the merger of Valagam Power Projects Private Limited and Black Gold Chemicals Private Limited with the Company with effect from 1 st July 2010, the Company has ceased to be a subsidiary of M/s Shri Housing Private Limited and with effect from the date of merger 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 of the Company. Refer Note - 2 of Schedule Q for information regarding shares issued pursuant to amalgamation. | |
| SCHEDULE 'B' RESERVES AND SURPLUS | |
| Fixed Assets Revaluation Reserve: | |
| Balance as per last account | 20,195,784 |
| Add: Adjustments | - |
| Add: Fixed Assets revalued (net) | - |
| Less: Incremental depreciation for the year on revaluation | 571,319 |
| Less: Loss on asset sold | 885,454 |
| Less: Transfer to General Reserve (for asset sold) | 1,087,667 |
| | <u>17,651,344</u> |
| Securities Premium Account: | |
| Balance as per last account | 96,957,321 |
| Add: Premium on C.Yr issue | 854,002,400 |
| Less: Expenses related to Rights Issue | 95,594 |
| | <u>950,864,127</u> |
| Capital reserve (Refer note 2 of Schedule Q) | 164,082,073 |
| General Reserve | 1,087,667 |
| (Created out of Reserve transferred from Fixed asset revaluation reserve on sale of revalued asset) | |
| Profit and Loss Account | |
| Surplus carried forward from the previous year | 31,014,438 |
| Current year additions | 5,526,880 |
| Adjustments | 5,888,671 |
| Total | <u>42,429,989</u> |
| Total Reserves & Surplus | <u>1,176,115,199</u> |

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

| | As at June 30, 2011 |
|--|---------------------------|
| SCHEDULE 'C' SECURED LOANS | |
| Bank Term Loan | 98,627,537 |
| Bank - Cash Credit Facility | 406,341,076 |
| | <u>504,968,613</u> |
| Note | |
| Bank term loan and Hire purchase loan are secured by way of hypothecation of assets purchased out of such loans. Bank cash credit facilities are secured by way of hypothecation of inventory and book debts of the company. | |
| SCHEDULE 'D' UNSECURED LOANS | |
| Intercompany deposits | 37,742,747 |
| Loans from Directors | 900,000 |
| Other than Short term borrowings (Refer note 7 of Schedule Q) | 21,876,120 |
| Total | <u>60,518,867</u> |

SCHEDULE 'E' FIXED ASSETS

| Asset | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | |
|------------------------------------|---------------------|-------------|------------|-----------------------------|--------------------|---------------------------|-----------------|---------------------|---------------------|---------------------|
| | As on 01.07.2010 | Additions | Deductions | As at 30.06.2011 | Upto 30.06.2010 | July 2010 to June 2011 | Dedu- ctions | As at 30.06.2011 | As at 30.06.2011 | As on 30.06.2010 |
| Tangible assets | | | | | | | | | | |
| Land | 606,300,000 | 92,470,000 | - | 698,770,000 | - | - | - | - | 698,770,000 | 606,300,000 |
| Lease hold Land | 74,831,750 | - | - | 74,831,750 | - | - | - | - | 74,831,750 | 74,831,750 |
| Buildings **** | 2,329,741 | - | 2,329,741 | - | 127,211 | 11,076 | 138,287 | - | - | 2,202,530 |
| Building (operating lease) **** | 48,295,691 | - | - | 48,295,691 | 2,614,715 | 787,220 | - | 3,401,935 | 44,893,756 | 45,680,976 |
| Machinery | 489,906,581 | 8,849,524 | - | 498,756,105 | 181,647,384 | 43,827,871 | - | 225,475,255 | 273,280,850 | 308,259,197 |
| Vehicles | 9,817,648 | 844,380 | 35,650 | 10,626,378 | 6,765,648 | 798,238 | 32,623 | 7,531,263 | 3,095,115 | 3,052,000 |
| Furniture & Fixtures | 4,775,331 | 121,431 | - | 4,896,762 | 2,877,116 | 355,029 | - | 3,232,145 | 1,664,617 | 1,898,215 |
| Office Equipments | 4,614,908 | 97,847 | - | 4,712,755 | 2,304,140 | 358,781 | - | 2,662,921 | 2,049,834 | 2,310,769 |
| Interiors | 4,324,251 | 143,475 | - | 4,467,726 | 3,975,998 | 128,027 | - | 4,104,025 | 363,701 | 348,254 |
| Intangible assets | | | | | | | | | | |
| Goodwill *** | 3,787,404 | - | - | 3,787,404 | 2,461,810 | 757,480 | - | 3,219,290 | 568,114 | 1,325,594 |
| Total | 1,248,983,305 | 102,526,657 | 2,365,391 | 1,349,144,571 | 202,774,020 | 47,023,722 | 170,910 | 249,626,834 | 1,099,517,737 | 1,046,209,283 |
| Capital WIP | | | | | | | | | 3,386,250 | |

Notes:

- (i) Buildings: As at 31st March, 2009 the company had revalued its buildings in Nandanam (Karumuttu Center) & Thiruvottiyur. These were revalued to reflect the current value based on Valuation report given by Registered Valuer dated 30th March, 2009. The Valuation has been adopted based on Comparative Sale Method. The difference of Rs. 20,939,144 between the revalued amount and book value thereof has been credited to Fixed Assets Revaluation Reserve (net).
- (ii) **** Depreciation on Buildings includes Rs. 5,71,320 incremental depreciation for the year on revaluation.
- (iii) Land held as stock-in-trade has been transferred to fixed assets at book value of Rs.9,24,70,000, reflecting the intention of the company to hold it for own use.
- (iv) Lease hold land held by RCI Power (AP) Limited is for a lease period of 30 years. The company will commence write off once the land is put to use.



Schedules forming part of the Consolidated Balance Sheet (Contd.)

(Amount in Rs.)

| | As at June 30, 2011 | |
|---|----------------------------|---------------------------|
| SCHEDULE 'F' INVESTMENTS | | |
| I. Long Term Investments: | | |
| (At Cost less Provision for Diminution in Value) | | |
| Non Trade | | |
| Shares Quoted | | |
| Ennore Coke Limited - 5,75,430 Equity Shares of Rs 10/- each fully paid up (Previous Year 420,620) | 48,452,526 | |
| Orient Green Power - 31,56,850 shares of Rs. 10/- each (Previous year - Nil) | 95,652,555 | 144,105,081 |
| Shares - Unquoted | | |
| Haldia Coke & Chemicals Private Limited - 13750000 shares of Rs10 each (Previous year 2000) | 527,587,500 | |
| Yogya Housing Finance Limited - Nil Equity Shares of Rs 10/- each fully paid up (Previous Year 70) | - | |
| Emas Engineers & Contractors Pvt Ltd - 60,24,050 Equity Shares of Rs. 10/- each (Previous year Nil) | | 527,587,500 |
| Total | | <u>671,692,581</u> |
| II. Current Investments: | | |
| (At Lower of Cost or Fair Value) | | |
| Shares - Quoted | | |
| 3i Infotech Limited - 1,000 Equity Shares of Rs 10/- each fully paid up (Previous Year 1000) | 46,200 | |
| Assam Company - 1000 Equity Shares of Rs.10/- each (Previous year - Nil) | 15,000 | |
| BGR Energy Systems - 200 Equity Shares of Rs.10/- (Previous year Nil) | 89,810 | |
| Bilcare Ltd - 700 Equity Shares of Rs.10/- Each (Previous year Nil) | 286,860 | |
| Century Textiles Ltd - 750 Equity Shares of Rs.10/- Each (Previous Year Nil) | 264,263 | |
| Rural Electricification - 200 Equity Shares of Rs. 10/- each (Previous year - Nil) | 39,160 | |
| SPIC - 1000 Equity Shares of Rs.10/- Each (Previous year Nil) | 27,298 | |
| Torrent Pharma - 150 Equity Shares of Rs.5/- Each (Previous year Nil) | 87,939 | 856,529 |
| Total | | <u>672,549,110</u> |

Schedules forming part of the Consolidated Balance Sheet (Contd.)

| | (Amount in Rs.) |
|---|--------------------------------|
| | As at June 30, 2011 |
| SCHEDULE 'G' STOCK-IN-TRADE | |
| Property Held for Development | – |
| Raw materials & stores | 29,719,358 |
| Project WIP (Advance payment made) | 320,000,000 |
| Contract WIP | 878,051,730 |
| Tools & stores | 152,870 |
| Total stock in trade | <u>1,227,923,958</u> |
| SCHEDULE 'H' SUNDRY DEBTORS | |
| Sundry Debtors (Unsecured, Considered Good) | |
| – due for more than 6 months | 35,536,573 |
| – Others | 171,014,818 |
| Total Sundry Debtors | <u>206,551,391</u> |
| SCHEDULE 'I' CASH & BANK | |
| Cash and Bank Balances | |
| (a) Cash in hand | 12,918,613 |
| (b) Balances in Scheduled Banks (in current account) | 122,036,717 |
| (c) Cash at bank in deposits | 375,000 |
| Total Cash & Bank | <u>135,330,330</u> |
| SCHEDULE 'J' LOANS & ADVANCES | |
| Loans & Advances: | |
| (Unsecured Considered Good unless otherwise stated) | |
| (a) Advances recoverable in cash or in kind to be received | 127,534,499 |
| (b) Advance Income tax net of provisions | 2,334,365 |
| (c) Interest free ICD to firms / companies in which directors are interested ** - Shriram Auto Finance (Partnership Firm) | – |
| (d) Deposits | 23,018,578 |
| (e) Other current assets | 336,050,306 |
| | <u>488,937,748</u> |
| SCHEDULE 'K' CURRENT LIABILITIES | |
| Sundry Creditors: | |
| (a) dues to small and micro enterprises | – |
| (b) For accrued salaries | 1,095,167 |
| (c) For other liabilities | 587,439,002 |
| Advances & Deposits received | 643,797,503 |
| Other Payables | 117,828,882 |
| Total Current Liabilities | <u>1,350,160,554</u> |
| SCHEDULE 'L' PROVISIONS | |
| Provision for Gratuity | 259,182 |
| Provision for taxation | 95,482,000 |
| Total Provisions | <u>95,741,182</u> |



Schedules forming part of the Consolidated Profit & Loss Account

(Amount in Rs.)

| | For the year ended 30 th June, 2011 |
|--|---|
| SCHEDULE 'M' OTHER INCOME | |
| Dividend from Current Investments (Trade) - Gross | 36,697 |
| Profit on Sale of Shares from Current Investments (Trade)- Gross | 3,110,740 |
| Interest Income - Gross (Tax Deducted at Source NIL - (Previous Year - Rs. 3,70,659/) | 8,847,233 |
| Rental Income - Gross (Tax Deducted at Source Rs.1,80,651/- (Previous Year - Rs. 6,23,446/-) | 3,422,100 |
| Profit on Sale of Fixed Assets | 3,973 |
| Write back of Creditors / Trading Liabilities | 3,808,044 |
| Compensation received | 8,471,747 |
| Others | 396,529 |
| Total Other Income | <u>28,097,063</u> |
| SCHEDULE 'N' DIRECT EXPENSES | |
| Direct Materials | 322,016,257 |
| Infrastructure & Development | 200,000,000 |
| Erection & Equipment Expenses | 94,028,472 |
| Subcontracting charges | 855,693,676 |
| Labour Charges | 281,476,764 |
| Transport/Machinery Hire Charges | 36,859,087 |
| Mobilisation Expenses | 1,113,760 |
| Misc. Site Expenses | 8,496,852 |
| Vehicles Site Expenses | 417,132 |
| Total Direct Expenses | <u>1,800,102,000</u> |
| SCHEDULE 'O' ADMINISTRATION AND OTHER EXPENSES | |
| Expenditure on Employees | 83,092,205 |
| Remuneration to Directors | 6,036,767 |
| Advertisement & Publicity | 2,998,562 |
| Legal & Professional Fees | 10,365,533 |
| Rent | 15,136,267 |
| Rates & Taxes | 44,188,161 |
| Repairs & Maintenance | - |
| - Buildings | 8,143,483 |
| - Vehicles | 850,665 |
| - Office equipments | 36,705 |
| - Others | 68,370 |
| Insurance | 2,861,322 |
| Donation | 1,213,350 |
| Office expenses | 742,657 |
| Safety expenses | 4,978,059 |
| Printing & Stationery | 1,281,569 |
| Communication expenses | 2,975,208 |
| Travelling & Conveyance | 7,679,609 |
| Listing & Depository Fees | 352,840 |
| Training Expenses | - |
| Sitting Fees to Directors | 60,000 |
| Auditors' Fees | 1,887,700 |
| Electricity Expenses | 4,184,075 |
| Miscellaneous Expenses | 1,582,437 |
| Project Expenses | - |
| Provision for Diminution in Value of Investments | 1,855,549 |
| Provision for Gratuity | (76,835) |
| Advances Written off | 618,011 |
| Total Admin and Other Expenses | <u>203,112,269</u> |

Schedules forming part of the Consolidated Profit & Loss Account (Contd.)

(Amount in Rs.)

| | For the year ended 30th June, 2011 |
|--|--|
| SCHEDULE 'P' INTEREST & FINANCE CHARGES | |
| Bank Charges | 3,809,394 |
| Guarantee charges to Banks | 7,662,368 |
| LC Processing & Commission Charges | 25,396,430 |
| Interest | |
| Paid to Banks | 78,383,131 |
| Paid to Others | 4,241,961 |
| Total Interest & Finance Charges | <u>119,493,284</u> |

Notes forming part of the Consolidated Financials**SCHEDULE 'Q'****(1) Statement of Significant Accounting Policies****(i) Basis of preparation of financial statements**

The Consolidated financial statements of Premier Energy & Infrastructure Limited, its subsidiaries and Associates ("The group") have been prepared and presented under the historical cost convention on the accrual basis of accounting 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

(ii) 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:

- a. 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.
- b. Interest in a jointly controlled entity is reported using proportionate consolidation.
- c. 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.
- d. 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 investments.
- e. 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.
- f. 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.
- g. The accounting policies are disclosed separately for subsidiaries wherever they are different from the policy of Premier Energy & Infrastructure Limited.

(iii) 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.



Notes forming part of the Consolidated Financials (Contd.)

(iv) Revenue Recognition

- 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 and recognised on sale.
- Rental income is recognised on straight line basis over the primary period of the arrangement.
- Income from Infrastructure Development is recognised on percentage of completion method.
- Income from Construction activity is recognized using the percentage of completion method.
- Contract revenue upto the reporting date as per the above policy is Rs. 1,856,907,723/- (EMAS)
- The above Contract Revenue does not include value of Client Supplied materials, unless they form part of the contracts awarded. The value of such materials which are supplied by client directly to projects and which are not part of the contracts awarded is stated to be Rs. 690,060,714/- as has been certified by the Management of EMAS.
- The income on sale of scrap is accounted at the time of realization of the same.

(v) Expenditure

Expenses are accounted for on accrual basis.

A Provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle an obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on a best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(vi) Fixed assets

(a) Tangibles

Buildings of Premier Energy & Infrastructure Limited, and land of RCI Power Ltd., RCI Power (AP) Ltd. is stated at revalued amount less accumulated depreciation and impairment losses, if any.

Other Fixed Assets of Premier Energy & Infrastructure Limited, RCI Power Ltd, RCI Power (AP) Limited is stated at revalued amount less accumulated depreciation and impairment losses, if any.

The gross blocks of fixed Assets of EMAS Engineers and Contractors Pvt Ltd have been accounted at the cost of acquisition, which includes taxes, duties, and other identifiable direct expenses

(b) Intangibles:

Goodwill is amortised using Straight line method over a period of 5 years. Goodwill is tested for impairment every year.

(vii) Impairment:

All the fixed assets are periodically assessed using external (if need be) and internal sources for any indication of impairment at the end of each financial year. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss, if any, is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results could differ from these estimates.

(viii) Depreciation:

In Premier, RCI Power Ltd and RCI Power (AP) Ltd 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.

In EMAS Depreciation is provided on Written down Value method in accordance with the provisions of Schedule XIV of Companies Act, 1956. Expenditure on improvements to leasehold premises is written off over a period of three years.

Notes forming part of the Consolidated Financials (Contd.)

(ix) Inventory valuation:

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.

(x) 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 or 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.

(xi) Employee Benefits:

(a) 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 profit and loss account.

(b) Defined Contribution Plan:

Premier and its subsidiaries except EMAS Engineers and Contractors Pvt. Ltd. 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 retirement benefit as per AS 15 do not arise.

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

(c) Defined Benefit Plan:

In Premier, liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to the profit and loss account on an accrual basis. Actuarial gains and losses arising during the year are recognized in the profit and loss account.

EMAS 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.

(xii) Taxes on Income

In accordance with the provisions of the Income Tax Act 1961, current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the year. Deferred tax is accounted for under the liability method, subject to the consideration of prudence for deferred tax assets, on timing differences being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent years

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 by way of credit to the Profit & Loss Account 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.

(xiii) Contingent Asset and Liabilities:

Provision is not recognized for:-

(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company; or

(b) Any present obligation that arises from past events but is not recognized because :-

- It is not probable that an outflow of resources embodying economic benefits will be required to settle an obligation ;or

- A reliable estimate of the amount of obligation cannot be made.



Notes forming part of the Consolidated Financials (Contd.)

Such Obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are recognized in the Financial Statements only when certainty of realization is ascertained.

- (2) M/s. Valagam Power Projects Private Limited and M/s. Blackgold Chemicals Private Limited have merged with Premier Energy and Infrastructure Ltd pursuant to provisions of Section 391 to 394 of the Companies Act, 1956 with effect from 01.07.2010. Valagam Power Projects Pvt Ltd has two subsidiaries viz: 1) RCI Power Ltd and 2) RCI Power (AP) Ltd and two step down subsidiaries RCI Windfarm 50 MW Pvt. Ltd. and RCI Windfarm 30 MW Pvt. Ltd.

Order of Scheme of amalgamation was passed by the Hon'ble Madras High Court on 30th November 2011

Consequent to the amalgamation, 5 equity shares of Premier Energy of Rs. 10/- each fully paid up were issued in exchange for 1 equity share of Valagam Power Projects Pvt Ltd of Re. 1 each fully paid up and 1 equity share of Premier Energy of Rs. 10 each fully paid up was issued in exchange for 1 equity share of Black Gold Chemicals Pvt Ltd of Re. 1 each fully paid up. The share price of Premier Energy was valued at Rs. 50/- per share.

Capital reserve is as computed below:

| Particulars | Valagam Power Projects Pvt Ltd | Black gold Chemicals Pvt Ltd |
|--|--------------------------------|------------------------------|
| Net Current Assets | (2,51,860) | (8,73,960) |
| Investments | 68,78,68,767 | 52,75,87,500 |
| Total Assets | 68,76,16,907 | 52,67,13,540 |
| Shares issued pursuant to scheme of Amalgamation | 7,50,00,000 | 13,85,00,600 |
| Share premium | 30,00,00,000 | 55,40,02,400 |
| Total | 37,50,00,000 | 69,25,03,000 |
| Goodwill / (Capital Reserve) | (31,26,16,907) | 16,57,89,460 |
| Net Capital Reserve | | (14,68,27,447) |

- (3) Particulars of Subsidiaries & Associates:

| Name of the Company | Country of incorporation | Percentage of voting power |
|--|--------------------------|----------------------------|
| Subsidiaries: | | |
| EMAS Engineers & Contractors Private Limited | India | 50.1% |
| RCI Power Limited | India | 100% |
| RCI Power (AP) Limited | India | 100% |
| RCI Windfarm 30 MW Pvt Ltd | India | 100% |
| RCI Windfarm 50 MW Pvt Ltd | India | 100% |
| Associates: | | |
| Haldia Coke & Chemicals Private Limited | India | 29.97% |

- (4) The Contribution of the subsidiaries during the year is as under:

Amounts in Rs. Lakhs

| | Revenue | Net Profit | Net Assets |
|---|-----------|------------|------------|
| EEMAS Engineers & Constructions Limited | 18,569.07 | 61.74 | 4386.07 |
| RCI Power Limited | Nil | -2.73 | 6090.42 |
| RCI Power (AP) Limited | Nil | -0.12 | 752.04 |
| RCI Windfarm 30 MW Private Limited | Nil | Nil | 1.00 |
| RCI Windfarm 50 MW Private Limited | Nil | Nil | 1.00 |
| Haldia Coke & Chemicals Private Limited (Associate) | Nil | 863.29 | Nil |

Notes forming part of the Consolidated Financials (Contd.)

(5) Contingent Liabilities:

Claims against the Company not acknowledged as debts:

- HUDCO has filed a case against the company for recovery of Rs 2.10 Crores as against Rs 56 lakhs 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.
- 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.
- The contingent Liability towards Bank Guarantees outstanding as of June, 30, 2011 is Rs. 291,909,854/-

(6) Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) - Rs. 12.06 crores

- Unsecured Loans (Other than Short Term Borrowings) includes Rs.21,876,120 and current liabilities includes Rs.31,370,885 representing Unclaimed amounts by some parties under the scheme of arrangement to be settled as and when claims are received.

(8) Segmental Reporting:

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

Amount in Rs. lakhs

| Year ended June 2011 | Infrastructure Development | Engineering & construction | Total |
|--|----------------------------|----------------------------|--------|
| Revenue | 3,191 | 18,569 | 21,760 |
| Direct expenses | 3,180 | 17,301 | 20,481 |
| Un-allocable expenses | | | 1,195 |
| Other income | | | 262 |
| Profit before taxes | | | 346 |
| Taxes | | | 170 |
| Profit before minority interest and share of profit/ (loss) of associate | | | 176 |
| Minority interest | | | 61 |
| Share of profit / (loss) of associate | | | 863 |
| Net profit for the year | | | 977 |

| As at 30 th June 2011 | Infrastructure Development | Engineering & construction | Total |
|----------------------------------|----------------------------|----------------------------|--------|
| Segment assets | 38,342 | 18,585 | 56,927 |
| Segment liabilities | 22,296 | 14,199 | 36,495 |

In the previous year the company had operated in one segment only. Hence no figures are presented for the previous year.

(9) Impairment of Assets:

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

(10) Deferred Tax Liability

Deferred Tax asset/(Liability) as at June 30, 2011 comprises of:

(In Rupees)

| Particulars | As at June 30, 2011 |
|---|---------------------|
| Deferred tax on account of depreciation | 69,49,073 |
| Deferred tax on account of gratuity | -80,087 |
| Net deferred tax liability | 68,68,986 |



Notes forming part of the Consolidated Financials (Contd.)

(11) Related Party Disclosure

List of related parties and the relationship

| | |
|---|---|
| Controlling Entity | Shriram Auto Finance (Partnership firm)* |
| Associate | Haldia Coke & Chemicals Private Limited |
| | Shri Housing Private Limited* |
| | Ennore Coke Limited |
| Key management personnel | |
| Managing Director of EMAS Engineers & Contractors Pvt. Ltd. | Mr. Srinivasan |

Note:

* Consequent to the merger of M/s. Valagam Power Projects 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 M/s 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 Standard 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:

| Party | Opening Balance in Rs. | Received during the year | Paid during the year | Closing balance |
|---|-------------------------|--------------------------|----------------------|-----------------|
| Shriram Auto Finance | 48,300,000 (receivable) | 563,922,400 | 518,587,400 | NIL |
| Haldia Coke & Chemicals Private Limited | NIL | 18,500,000 | 18,500,000 | NIL |
| EMAS Engineers and Contractors Pvt. Ltd. | 34,000,000 (payable) | NIL | 34,000,000 | NIL |
| Ennore Coke Limited | NIL | 465,000,000 | 465,000,000 | NIL |
| Loan from Directors & relatives | NIL | 900,000 | NIL | 900,000 |
| Ennore Coke Limited (Intercorporate deposits) | NIL | 34,458,082 | 34,458,082 | 34,458,082 |

Interest Paid:

| Party | Amount (Rs) |
|---|-------------|
| Haldia Coke & Chemicals Private Limited | 493,989 |

(12) Earnings Per Share (EPS)

Calculation of EPS - (Basic and Diluted)

| Particulars | For the year ending on 30 th June, 2011 |
|---|--|
| Profit after Tax (in Rupees) | 9,77,44,767 |
| Profit after Tax for diluted EPS (in Rupees) | 9,77,44,767 |
| Weighted average number of shares for basic EPS | 41,350,060 |
| Weighted average number of shares for diluted EPS | 41,350,060 |
| Nominal value of shares | Rs.10 |
| Basic Earnings per ordinary share (in Rupees) | 2.36 |
| Diluted earnings per ordinary share (in Rupees) | 2.36 |

(13) Exposure on Derivatives & Un hedged foreign currency exposure - NIL

Notes forming part of the Consolidated Financials (Contd.)**(14) Prior Period Income & Expenditure:**

(In Rupees)

| S. No. | Nature | For year ended 30 th June 2011 |
|--------|---|--|
| 1 | Prior period expenses: | |
| | A) Goodwill pertaining to earlier years now written off | - |
| | B) Expenses not accounted in earlier year | - |
| | C) Legal Expenses not accounted in earlier year | - |
| | D) Income Tax & interest relating to earlier years | 6,239,360 |
| | Net effect in P & L Account | 6,239,360 |

(15) Employee benefits: Gratuity:

| A | Net asset/ (liability) recognized in the balance Sheet. | |
|---|---|---|
| | Present value of funded obligation | (259,182) |
| | Fair value of plan assets | - |
| | (Deficit) / surplus | - |
| | Present value of unfunded obligation | - |
| | Unrecognised past service cost | - |
| | Net asset / liability - Assets | - |
| | - Liability | (259,182) |
| B | Expense recognized in the Profit & loss account. | |
| | Current service cost | 259,182 |
| | Interest cost | - |
| | Expected return on plan assets | - |
| | Actuarial (gains) / losses | - |
| | Past service cost | - |
| | Adjustments made in the Current period | - |
| | Total expense | 259,182 |
| C | Change in present value of obligation during the year | |
| | Present value of defined benefit obligation as at the Beginning of the year | - |
| | Adjustment to opening balance | - |
| | Current service cost | 259,182 |
| | Interest cost | - |
| | Past service cost | - |
| | Actuarial (gains) / losses | - |
| | Benefits paid | - |
| | Present value of defined benefit obligation as at the end of the year | 259,182 |
| | Principal actuarial assumptions : | |
| | Discount rate. | 8% |
| | Mortality | LIC (1994-96) Ultimate Mortality Tables |
| | Expected return on plan assets | 0% |
| | Salary Escalation per annum | 10% |

EMAS Engineers & Contractors Private Limited has not provided for gratuity.

(15) Disclosure as per Clause 32 of the Listing Agreement (Loans & Advances to Subsidiaries, Associates & Others) - Refer Note 11 above.**(16) Previous period comparatives:**

The subsidiaries which are consolidated with Premier have become subsidiaries effective from 1st July 2010 and consolidation is applicable for the year ended 30th June 2011. Hence previous year figures are not comparable and not presented.

For and on behalf of
PKF Sridhar & Santhanam
 Chartered Accountants
 Firm No : 003990S

Vikram Mankal
 Managing Director & CEO

For and on behalf of the Board of Directors
K.N. Narayanan
 Director

T.V. Balasubramanian
 Partner
 M. No : 27251

S. Sreenidhi
 Company Secretary

Place : Chennai
 Date : 14.02.2012



Consolidated Cash Flow Statement

Pursuant to Clause 32 of the Listing Agreement

(Amount in Rs.)

| | For the year ended 30 th June, 2011 | |
|--|---|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Tax, Minority Interest and Extraordinary items | | 34,578,297 |
| Adjustment for: | | |
| Profit on sale of investment | | (3,110,740) |
| Dividend income | | (36,697) |
| Interest income | | (8,847,233) |
| Profit on sale on fixed assets | | (3,973) |
| Diminution in value of investment | | 1,855,549 |
| Preliminary expense write off | | 17,500 |
| Interest paid | | 119,493,283 |
| Depreciation | | 46,452,402 |
| | | <u>190,398,389</u> |
| Adjustments for: | | |
| Current Assets | (275,973,615) | |
| Current Liabilities | 537,531,052 | |
| Preliminary expenses incurred | (40,000) | |
| Tax provision | <u>(10,773,373)</u> | |
| | | 250,744,064 |
| Income Tax including Fringe Benefit Tax paid | | (4,884,703) |
| Cash generated from operations | | <u>436,257,750</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Investments | | (312,190,098) |
| Sale of Investments | | 17,168,661 |
| Purchase of Fixed Asset | | (102,526,657) |
| Sale of Fixed Asset | | 1,313,000 |
| Dividend earned | | 36,697 |
| Interest earned | | 8,847,233 |
| | | <u>(387,351,164)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Borrowings (Net) | | 164,206,726 |
| Increase in Share Capital & Premium | | 14,904,406 |
| Interest paid | | (119,493,284) |
| Net Cash from Financing Activities | | 59,617,849 |
| Net increase in Cash and Cash equivalent | | <u>108,524,435</u> |
| Cash and Cash equivalent | | |
| - at the beginning of the year | | 26,805,895 |
| - at the end of the year | | <u>135,330,330</u> |
| | | <u>(108,524,435)</u> |

For and on behalf of the Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 14.02.2012

AUDITOR'S REPORT

We have examined the attached Cash Flow Statement of Premier Energy and Infrastructure Limited for the year ended 30th June 2011. 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 Profit and Loss Account and Balance Sheet of the Company by our Report dated 14th February 2012 to the Members of the Company.

For and on behalf of

PKF Sridhar & Santhanam
Chartered Accountants
Firm No: 003990S

T.V. Balasubramanian
Partner
M. No : 27251

Place : Chennai
Date : 14.02.2012

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 | RCI Windfarm 50 MW Pvt Ltd | RCI Windfarm 30 MW Pvt Ltd |
|--------------------------|---|------------------------|--------------------------|-------------------------------------|-------------------------------------|
| | As on June 30, 2011 | As on June 30, 2011 | As on June 30, 2011 | As on June 30, 2011 | As on June 30, 2011 |
| Share Capital | | | | | |
| Equity | 1202.41 | 1500.00 | 5.00 | 1.00 | 1.00 |
| Share Application Monies | 150.00 | | | | |
| Reserves & Surplus | 3033.67 | 5798.16 | 748.32 | - | - |
| Total | 4386.08 | 7298.16 | 753.32 | 1.00 | 1.00 |
| Total Liabilities | 14198.98 | 27.45 | 34.54 | - | - |
| Total Assets | 18585.06 | 7325.61 | 787.86 | 1.00 | 1.00 |
| Details of Investments | | | | | |
| Long Term | - | - | - | - | - |
| Quoted | - | - | - | - | - |
| Unquoted | - | - | - | - | - |
| Gross Income | 18733.37 | 1.75 | 0.30 | - | - |
| Profit before Tax | 243.18 | -2.74 | 0.12 | - | - |
| Provision for Taxation | 95.00 | - | - | - | - |
| Deferred | 24.94 | - | - | - | - |
| Profit after tax | 123.24 | - | - | - | - |

Notes:

1. Total Liabilities include: Secured Loans, Unsecured Loans, Current Liabilities & Provisions and Deferred Tax Liability
2. Total Assets include: Net Fixed Assets, Investments, Current Assets, Loans & Advances, Deferred Tax Assets, Profit & Loss account and Miscellaneous Expenditure.
3. Since the above companies are subsidiaries, in the current year, the previous year figures have not been provided.
4. The above mentioned figures are based on the Unaudited Financial Results as on 30th June 2011.
5. Detailed 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.



PREMIER ENERGY AND INFRASTRUCTURE LIMITED

Registered Office : 3rd Floor, Egmore Benefit Society Building

No. 25, Flowers Road, Kilpauk, Chennai - 600 084

ATTENDANCE SLIP

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

Name of the Member
(in Block Letters)

Grid for Name of the Member

Member's Folio Number / DP.ID :

Grid for Member's Folio Number / DP.ID

Client.ID :

Grid for Client.ID

Number of Shares held :

Grid for Number of Shares held

I hereby record my presence at the 19th Annual General Meeting being held on Wednesday, the 14th March 2012 at 11.00 A.M. at Bharatiya Vidhya Bhawan (Mini Hall) 18, 20, 22 East Mada Street, Mylapore, Chennai, Tamil Nadu 600 004

Member's / Proxy's Signature.



PREMIER ENERGY AND INFRASTRUCTURE LIMITED

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No. 25, Flowers Road, Kilpauk, Chennai - 600 084

PROXY FORM

I/We Son of / wife of / daughter of..... residing at being a Member / Members of Premier Energy and infrastructure limited do hereby appoint son of / wife of / daughter of or failing him son of / wife of / daughter of as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting being held on Wednesday, the 14th March 2012 at 11.00 A.M. at Bharatiya Vidhya Bhawan (Mini Hall) 18, 20, 22 East Mada Street, Mylapore, Chennai, Tamil Nadu 600 004 and at any adjournment thereof.

Signed this day of 2012.

Number of Shares held Regd. Folio Number

DP.ID : Client ID :

Affix
Re. 1/-
Revenue
Stamp

Note : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

BOOK POST

If undelivered please return to:

Premier Energy and Infrastructure Limited

3rd Floor, Egmore Benefit Society Building

No. 25, Flowers Road, Kilpauk, Chennai - 600 084