

ANNUAL REPORT 2011-12



PREMIER ENERGY AND INFRASTRUCTURE LIMITED

3rd Floor, Egmore Benefit Society Building
No. 25, Flowers Road, Kilpauk, Chennai - 600 084
Tel.: 044 2648 1213

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

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

CHIEF FINANCIAL OFFICER

A. SRIRAM

COMPANY SECRETARY & COMPLIANCE OFFICER

S. SREENIDHI

REGISTRAR 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
Tel.: 044 - 2648 1213

AUDITORS

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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT 11.00 A.M ON WEDNESDAY THE 12TH DECEMBER, 2012 AT BHARATHIYA VIDHYA BHAVAN (MINI HALL) 18, 20, 22 EAST MADA STREET, MYLAPORE, CHENNAI - 600 004 TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2012, and the Profit and Loss Account of the Company for the year ended 30th June, 2012 together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Malka Komaraiah who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration - M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai retire at this Meeting and being eligible offer themselves for re-appointment.

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

By the Order of the Board of Directors

Place : Chennai
Date : 11th September, 2012

S. Sreenidhi
Company Secretary

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxy form duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time of the commencement of the aforesaid meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 10th December, 2012 to Wednesday the 12th December, 2012 (both days inclusive).
3. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature on the attendance slip should match with the signature(s) registered with the Depositories / Company/RTA, as the case may be. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection of the Members at the venue of the Annual General Meeting.
5. The Register of Contracts maintained under Section 301 of the Companies Act, 1956, will be available for inspection of the Members at the Registered office of the Company.
6. As an economic measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of Annual Report to the meeting.

By the Order of the Board of Directors

Place : Chennai
Date : 11th September, 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 re-appointment at the forthcoming
Annual General Meeting**

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

Profile of the Directors seeking Re-appointment

Mr. MALKA KOMARAI AH - DIRECTOR

Mr. Malka Komaraiah, a graduate in Civil Engineering, is the driving force of Shalivahana Group.

Taking over the mantle of the group in the year 1984-85, he has been instrumental in guiding the group into diverse industry verticals like Power Generation, Engineering, Education, etc. His technical expertise coupled with business acumen has seen the group's business increase manifold and reach a number of milestones.

Never one to sit back on laurels, he always focuses ahead searching for new avenues for the Group to venture into and kindle substantial interest in strategic partners for investment in the group.

Mr. Malka Komaraiah joined the Board of Premier Energy and Infrastructure Limited on 29th October, 2009.

He is one of the Members of the Remuneration Committee of the Board of Directors of the Company.

He holds NIL shares in the Company.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Twentieth Annual Report along with the Audited Accounts for the Financial Year ended 30th June, 2012.

The performance of the Company for the year ended 30th June, 2012 is summarized below:

(Rs. in Lacs)

	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Sale and Other Income	16305.59	22040.66	5481.55	3305.24
Profit / (Loss) before Depreciation, Interest and Tax	2160.61	2008.48	666.12	121.90
Interest	1074.88	1195.07	0.61	5.53
Depreciation	317.26	467.62	8.46	10.91
Profit (Loss) before Tax	768.47	345.79	657.05	105.46
Less : Provision for Tax	462.13	156.58	429.71	61.58
Less : Provision for Deferred Tax	12.37	13.55	0.30	-11.39
Minority Interest	33.51	61.50	–	–
Share of Profit of Associates	1386.36	863.38	–	–
Profit carried to Balance Sheet	1646.82	977.54	227.04	55.27

PERFORMANCE REVIEW

The Consolidated Sales and other income for the year under review was Rs.16305.59 lacs as against Rs. 22040.66 lacs in the previous year. While the Standalone Turnover for the year is Rs. 5481.55 lacs as compared to Rs.3305.24 lacs in the previous year. The reduction in the Consolidated turnover was on account of reduction of turnover of the subsidiary company - Emas Engineers and Contractors Private Ltd due to slowing down of some of that company's real estate projects under execution. Profit before Interest, Depreciation and Tax was at a level of Rs.2160.61 lacs as against Rs. 2008.48 lacs. Your company has reported a Profit after Tax of Rs.1646.82 lacs as against Rs.977.54 lacs in the previous year.

Business Highlights

Your Company has commenced execution of the Tadapatri 95 MW Project and the first phase of the 56 MW project is expected to be completed in all respects by the end of 2012.

Your Company has identified new lands for development of windfarm.

Depository System

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

Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As per the Securities Exchange Board of India (SEBI) Circular No: Cir/ISD/3/2011 dated June 17, 2011 on "Trading rules and shareholding in dematerialized mode", all the Listed Companies were required achieve 100% of the promoters and promoter group's holding in dematerialized within a prescribed time limit. Accordingly the shares held by the promoters of your Company were held in electronic mode and as at 30th June, 2012. 87.77% of the Equity Shares of the Company were held in demat form as at 30th June, 2012.

Management Discussion and Analysis Report

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

CEO / CFO Certification

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

Consolidated Financial Statements

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

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

SUBSIDIARY AND ASSOCIATE COMPANIES

As at 30th June, 2012, your Company has a total of 3 subsidiaries and 2 step down subsidiaries, the following are the details of the subsidiaries, step down subsidiaries and associate companies of your Company.

SUBSIDIARY/STEP DOWN SUBSIDIARY COMPANIES

EMAS ENGINEERS AND CONTRACTORS PRIVATE LIMITED

EMAS is engaged in the business of Civil and Electro Mechanical contracting. The business portfolio of EMAS includes construction of residential buildings and commercial establishments. It has carried out projects in states of Tamil Nadu, Karnataka and Andhra Pradesh. Financial Highlights of EMAS for 2011- 2012 is as under:

(Rupees in Lacs)

Particulars	2011-12
Sales & Other Income	10821.87
Equity Capital	1202.40
Reserves & Surplus	3100.81
Earnings per share	0.56

RCI POWER LIMITED & RCI POWER (AP) LIMITED

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

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

ASSOCIATE COMPANY

HALDIA COKE AND CHEMICALS PVT LTD

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 ended 31st March, 2012, HCCPL reported a consolidated turnover of Rs.1672.94 lacs with a Profit after tax of Rs.117.22 lacs.

Dividend

Considering the significant expansion plans and implementation of the same your Company requires substantial investments and hence the Board of Directors think it prudent to not recommend dividend for the year ended 30th June 2012.

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

Mrs. Vathsala Ranganathan resigned from the Board with effect from 02nd March 2012. The Board wishes to place on record the service rendered by Mrs. Vathsala Ranganathan as a Director of the Company.

Directors' Responsibility Statement

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

- (i) in the presentation of the Annual Accounts for the year ended 30th June 2012, the applicable accounting standards read with the requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same ;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June 2012 and of the profit of the Company for the year ended on that date ;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and



(iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

Auditors and Auditors Report

M./s PKF Sridhar & Santhanam, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. It is proposed to re-appoint them as Statutory Auditors of the Company for the financial year 2012-2013. The members are requested to consider their appointment and authorise the Board of Directors to fix their remuneration. The auditors have, under Section 224 (1B) and Section 226 of the Companies Act, 1956, furnished certificate of their eligibility for the appointment.

The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

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

Reply Point No.3 of the Auditors' Report to the Consolidated Financial Statements

The Financial year of the EMAS Engineers and Contractors Private Ltd for the period 2011- 12 is from 1st April, 2011 to 30th June, 2012 . Hence the Un audited Financials for the period 1st July, 2011 to 30th June, 2012 were provided for consolidation of accounts.

Reply Point No.4 of the Auditors' Report to the Consolidated Financial Statements

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 Point No.7 of the Auditors' Report to the Consolidated Financial Statements

This will be examined and suitable provisions, if required, will be provided by EMAS Engineers and Contractors Pvt Ltd in the next year.

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. 2,057,342/-

Particulars of Employees

As required under the provisions of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 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.

Acknowledgement and Appreciation

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

For and on behalf of the Board

Vikram Mankal
Managing Director & C.E.O.

K.N. Narayanan
Director

Place : Chennai
Date : 11th September, 2012

MANAGEMENT DISCUSSION AND ANALYSIS FY - 2011-12

COMPANY OVERVIEW

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

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

PEIL is currently expanding its renewable power generation presence in the country and developing projects in the State of Andhra Pradesh. PEIL, has been executing a 95 MW wind farm project in Tadapatri, Andhra Pradesh for Leitner Shriram Manufacturing Limited. This project is expected to be completed by March, 2013.

THE MACRO - ECONOMIC SCENARIO

Fiscal 2011-12 was a challenging year for the businesses across the globe due to the impact of multiple events. The sovereign debt crisis in Europe and the slow progress of the US economy to emerge from the effects of the earlier global financial crisis meant that Global GDP remained sluggish. Fiscal stimuli injected by these Governments to resuscitate their economies over the last few years has resulted in excess liquidity and led to a sharp rise in commodity prices and natural resources.

This, in turn, has led to the moderation of growth of emerging economies which have been contributing significantly to global GDP growth in recent times. Other events, like the political unrest in the Middle East which led to an escalation in the price of crude oil and natural disasters in Japan and Indonesia which caused disruptions in established business, drove increased volatility.

The outlook still remains uncertain with emerging economies having to bear the brunt of a sustained rise in prices of commodities and food articles, while the developed nations have to prepare for environment of limited fiscal stimulus.

Apart from the global challenges, the domestic economy was saddled with its own set of problems. This led to a moderation in the Gross Domestic Product (GDP) which is estimated to have grown at only 6.9% in 2011 -12 in real terms, after having grown at the rate of 8.4% in each of the two preceding years.

The challenges which are well documented range from persistent inflation, a resultant increase in interest rates, introduction of tough tax laws, a weakening currency and a burgeoning fiscal deficit. All of these led to a steady break down in the perception of global business community towards India and resulted in weakening of the domestic business sentiment.

Despite all these challenges, the fact remains that we are still the second fastest growing economy in the world, with only China being ahead of us. The outlook remains cautious, the economy predicted to grow at or around 7.00% +/- 0.25%

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 a 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.

Housing Development

India's real estate industry is only recovering from a torrid examination. The excesses of the realty boom are a distant memory in the backdrop of the past year's realty crisis, of which the residential market slump was a significant symptom. As residential demand evaporated, developers were forced to implement innovative coping strategies in order to combat accumulating inventory and a severe lack of liquidity. The start of the current financial year ushered in a wave of optimism that has permeated through different sectors of the economy and revived demand sentiments. While residential prices are once again on the rise, the jolts of the past year have altered the dynamics of India's residential market.



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

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

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

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

SWOT ANALYSIS

Strengths

- PEIL, is also a developer of renewable energy power plants in India based on aggregate installed capacity.
- Operates in the rapidly growing renewable energy sector, which benefits from increasing demand for electricity and regulatory support.

- Experienced management and operating team with relevant industry knowledge and expertise.

Weakness

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

Opportunities

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

Threats

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

RISKS AND CONCERNS

Industry Risks - Housing Sector

Due to increased demand for land for development of residential and commercial properties, we are experiencing increasing competition in acquiring land in various geographies where we operate or propose to operate. In addition, the unavailability or shortage of suitable parcels of land for development leads to an escalation in land prices. Any such escalation in the price of developable land could materially and adversely affect our business, prospects, financial condition and results of operations. Additionally, the availability of land, its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been delineated as agricultural land, no commercial or

residential development is permitted without the prior approval of the local authorities.

Industry Risks – Renewable Power Generation Sector

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

Regulatory environment risk - Housing Sector

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

Regulatory environment risk - Renewable Power Generation Sector

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

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

INTERNAL CONTROLS

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

HUMAN RESOURCES

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

MANAGEMENT'S RESPONSIBILITY STATEMENT

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

SAFE HARBOUR

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

CORPORATE GOVERNANCE GUIDELINES

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

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

1) BOARD OF DIRECTORS

Size and composition of the Board

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

Name of Director	Position	Relationship with other directors	Directorships held as on 30th June, 2012*	Member in Committees - Position held
Mr. R. Ramakrishnan	Independent Director	None	4	–
Mr. Vikram Mankal	Managing Director & C.E.O	None	1	
Mr. K. N. Narayanan	Independent Director	None	–	–
Mr. Rajesh Devarajan	Independent Director	None	–	–
Ms. Sucharitha P	Independent Director	None	–	–
Mr. Malka Komaraiah	Independent Director	None	12	2

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

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

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

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

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

Number of Board meetings held and the dates on which held

Six Board meetings were held during the year as against the minimum requirement of four meetings. The Board Meetings were held on 13th August, 2011, 12th November, 2011, 14th December, 2011, 14th February, 2012 at 11.45 A.M. and at 2.55 P.M. and 15th May, 2012 for the year ended 30th June, 2012.

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

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

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

Membership Terms

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

Compensation Policy

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

2) COMMITTEES OF THE BOARD

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

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

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

Audit Committee

Our Audit Committee comprises four Independent Directors.

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

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

At the Board meeting held on 14th February, 2012 at 11.45 A.M, the Audit Committee was reconstituted and the powers of the Audit Committee was redefined to meet the requirements of Clause 49 of the Listing Agreement stipulated by the Stock Exchanges. Brief Charter is given below:

Powers and Roles of Audit Committee:

1. The regulations governing the committee are:
 1. The Committee should have a minimum of three directors. Two-thirds of the members of audit committee shall be independent directors. All of them shall be non-executive directors who are financially literate and at least one director shall have financial and accounting knowledge.
 2. The Committee shall meet periodically, as it deems fit, and in any case, have at least four meetings in a financial year of the Company and not more than four months shall elapse between two such meetings.
 3. The quorum of the meeting of the committee shall be either two members or one third of the total number of members of the audit committee whichever is higher provided that at least two independent directors shall be present in the meeting.



4. The Committee shall invite such executives, as it considers appropriate (and particularly the head of the finance function), but at times it may also meet without the presence of any executives of the company.
 5. All regulations pertaining to the meetings of the committees of the board as contained in the Articles of Association of the company in so far as they are not repugnant to the context and meeting of the provisions contained herein, shall mutatis-mutandis, apply to the meetings of this committee.
 6. The minutes of the committee meetings shall be placed before the board and shall be noted by the directors. The Company Secretary shall act as the Secretary to the Committee.
2. Powers of the Audit Committee.
1. To investigate into any matter in relation to the items specified in section 292A of the Companies Act, 1956 or in the reference made to it by the board and for this purpose the committee shall have full access to information contained in the records of the company.
 2. To seek information from any employee.
 3. To obtain outside legal or other professional advice.
 4. To secure the attendance of outsiders with relevant expertise, if it considers necessary.
3. Role of Committee
1. Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 2. Recommending to the board the appointment, re-appointment and if required, the removal of the statutory auditor, fixation of audit fees.
 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 4. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 2. Changes, if any, in accounting policies and practices and reasons for the same
 3. Major accounting entries involving estimates based on the exercise of judgment by management
 4. Significant adjustments made in the financial statements arising out of audit findings
 5. Compliance with listing and other legal requirements relating to financial statements
 6. Disclosure of any related party transactions
 7. Qualifications in the draft audit report.
 8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 14. The recommendations of the audit committee on financial management including the audit report shall be binding on the board. In case the board does not accept the recommendations of the committee it shall record the reasons therefore and communicate such reasons to the shareholders.
4. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Audit Committee Attendance for the Meetings held for the Financial year 2011-2012

Five Audit Committee meetings were held during the year. These were held on 13th August, 2011, 12th November, 2011, 14th February, 2012 at 11.00 A.M. and at 2.15 P.M. and 15th May, 2012

Members	No. of Meetings Attended
Mr. R. Ramakrishnan	5
Mr. K.N. Narayanan	5
Mr. Rajesh Devarajan	3
Ms. Sucharitha Parthasarathy	3
Mr. Malka Komaraiah*	Nil

* ceased to be a Member of the Audit Committee w.e.f. 14th February, 2012

Share Transfer & Investors' Grievance Committee:

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

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

The Company has appointed Ms. S. Sreenidhi, as the Compliance Officer.

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

At the Board meeting held on 14th February, 2012 at 11.45 A.M, the Share Transfer and Investor Grievance Committee was reconstituted. Brief Charter is given below:

1. The quorum for meeting of the Share Transfer and Investor's Grievance Committee shall be two members, provided at least one Non-Executive Director shall be present.
2. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of Balance Sheet etc.
3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.



Role of The Committee

Investors Grievance Committee was constituted at the Board Meeting held on 27th March 2010. The Committee looks into the letters / complaints received from the shareholders / investors / stock exchanges / SEBI and then review the same with the Registrar. These letters / complaints are replied immediately / redressed to the satisfaction of the shareholders. The committee reviews periodically the action taken by the company and the Share Transfer Agents in this regard. The pendency report if any, and the time taken to redress the complaints are also reviewed by the Committee.

Share Transfer and Investor Grievance Committee Attendance for the Meetings held for the Financial year 2011-2012

Four Share Transfer and Investors' Grievance Committee meetings were held during the year. These were held on 13th August, 2011, 12th November, 2011, 14th February, 2012 and 15th May, 2012

Members	No. of Meetings Attended
Mr. R. Ramakrishnan	4
Mr. K.N. Narayanan	4
Ms. Sucharitha Parthasarathy	4
Mr. Malka Komaraiah*	Nil

* ceased to be a Member of the Share Transfer Committee w.e.f. 14th February, 2012

Remuneration committee:

The Remuneration Committee comprises three Independent Directors.

1. Mr. R. Ramakrishnan - Member
2. Mr. K.N.Narayanan - Member
3. Mr. Malka Komaraiah - Member

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

Brief Charter of the Committee is as under

1. To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances, etc.;
2. Fixed and performance linked incentives along with the performance criteria;
3. Increments and Promotions;
4. Service Contracts, notice period, severance fees; and
5. Ex-gratia payments.

Remuneration Committee Attendance for the Meetings held for the Financial year 2011-2012

One Remuneration & Compensation Committee meeting was held during the year on 14th February, 2012

Members	No. of Meetings Attended
Mr. R. Ramakrishnan	1
Mr. K.N. Narayanan	1
Mr. Malka Komaraiah	0

Details of remuneration paid to the directors for the year ended 30th June, 2012

Executive Director

(Rs. in Lacs)

Name & Position	Salary
Mr. Vikram Mankal - Managing Director & C.E.O	16,000,000
Total	16,000,000

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

Non-Executive Directors

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

Particulars of Sitting Fees including for attending the Board / Committee Meeting paid to Non-Executive Directors during the financial year 2011-12 are as follows:-

Name	Sitting fees paid for Board meetings (Rs.)
R. Ramakrishnan	25,000
K.N.Narayanan	30,000
Sucharitha Parthasarathy	20,000
Rajesh Devarajan	20,000
Malka Komaraiah	0

3) CODE OF CONDUCT

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

4) SUBSIDIARY COMPANIES

The Company has three subsidiaries and two step down subsidiaries for the year ended 30th June, 2012.

5) GENERAL BODY MEETINGS

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

For the year ended	Venue	Day and Date	Time
30th June, 2011	Bharatiya Vidya Bhavan (Mini Hall) East Mada Street, Mylapore, Chennai- 600 004	Wednesday, 14 th March, 2012	11.00 A.M
30 th June, 2010	Mini Hall, New Woodlands Hotel, 72-75 Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	Saturday, 18 th December, 2010	11.00 A.M
31 st March, 2009	Bharatiya Vidya Bhavan (Mini Hall) East Mada Street, Mylapore, Chennai- 600 004	Tuesday, 29 th September, 2009	10.00 A.M

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

Date of AGM	Whether any Special Resolution was passed	Particulars
14 th March, 2012	Yes	Appointment of Mr. Vikram Mankal as the Managing Director and C.E.O of the Company for a period of three years from 14 th February, 2012 to 13 th February, 2015 on a remuneration of Rs. 24,00,000 p.a under Section 269 read with Schedule XIII of the Companies Act, 1956
18 th December, 2010	Yes	Approval under Section 295 of the Companies Act, 1956 for giving loan for an amount of Rs. 50 crores to M/s Shriram Auto Finance
29 th September, 2009	No	N.A

Postal Ballot

No special resolution was passed through Postal Ballot during the Financial Year 2011-12. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through Postal Ballot.



6) OTHER DISCLOSURES

- a) A Management Discussion and Analysis report highlighting individual businesses has been included in the Annual Report.
- b) There were no materially significant related party transactions, with Directors/Promoters/Management which had potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note 36 to the accounts in the Annual Report.
- c) The Managing Director and Chief Executive Officer (MD & C.E.O) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement pertaining to CEO/CFO certification for the Financial year ended 30th June, 2012.
- d) There were no instances of non compliance on any matter relating to capital market during the last three years.
- e) Details of information on appointment of new directors / re appointment of directors

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

7) COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for all the quarters including the quarter ended 30th June, 2012.

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

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

8) MEANS OF COMMUNICATION

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

Management Discussion and Analysis

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

Green Initiative

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

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

GENERAL SHAREHOLDER INFORMATION**Registered Office**

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

Annual General Meeting

Day	Date	Time	Venue
Wednesday	12 th December, 2012	11.00 A.M.	Bharathiya Vidhya Bhavan (Mini Hall) 18, 20, 22 East Mada Street, Mylapore, Chennai - 600 004

Tentative Financial Calender

Annual General Meeting	
Financial reporting for the 01 st Quarter ending 30 th September, 2012	On or before 14 th November, 2012
Financial reporting for the 02 nd Quarter ending 31 st December, 2012	On or before 14 th February, 2013
Financial reporting for the 03 rd Quarter ending 31 st March, 2013	On or before 15 th May, 2013
Financial reporting for the year ended 30 th June, 2013	On or before 30 th August, 2013

Financial Year

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

Book Closure

Monday 10th December 2012 to Wednesday 12th December, 2012 (both days inclusive)

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

STOCK EXCHANGES	STOCK CODE
The Bombay Stock Exchange Limited	533100

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

The Company has paid the Annual Listing Fees for the Financial Year 2011 - 2012 to all the three Stock Exchanges where the shares of the Company are listed.

MARKET PRICE DATA

Month	Bombay Stock Exchange Limited (in Rs.)	
	High	Low
July - 2011	25.00	21.00
August - 2011	24.75	19.85
September - 2011	26.70	21.35
October - 2011	28.50	21.95
November - 2011	29.65	20.85
December - 2011	22.70	18.00
January - 2012	24.70	17.15
February - 2012	24.20	19.95
March - 2012	24.45	19.20
April - 2012	22.05	19.50
May - 2012	25.20	18.15
June - 2012	23.95	23.95



REGISTRAR AND SHARE TRANSFER AGENT

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

Cameo Corporate Services Limited

1, Subramanian Building, Club House Road,

CHENNAI 600 002

Tel: +91 044 - 2846 0084/0395

Fax: +91 044 - 28460129

Email: cameo@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R. D. Ramaswamy

SEBI Registration Number: INR000003753

REGISTRAR AND SHARE TRANSFER AGENT

Share Transfer and Investor Service System

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

Shareholding pattern as on 30.06.2012		
Particulars	Shares	Percentage
Promoters	27116440	65.58
Foreign Institutional Investors	200	0.00
Mutual Fund	55900	0.14
Financial Institutions	0	0.00
Corporate Bodies	5633479	13.62
Foreign Corporate Bodies	0	0.00
Banks	400	0.00
Non-Resident Indian (Non Repat)	4000	0.01
Non-Resident Indian (Repat)	1200	0.00
Clearing Member	0	0.00
Directors and their relatives	190500	0.46
Public	8347941	20.19
TOTAL	41350060	100.00

Distribution of Shareholding as on 30th June, 2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 500	10028	90.69	1661263	16612630	4.02
501 - 1000	586	5.30	471469	4714690	1.14
1001 - 2000	208	1.88	315386	3153860	0.76
2001 - 3000	57	0.52	149482	1494820	0.36
3001 - 4000	31	0.28	112957	1129570	0.27
4001 - 5000	26	0.24	122536	1225360	0.30
5001 - 10000	47	0.43	333988	3339880	0.81
10001 - and above	74	0.67	38182979	381829790	92.34
Total	11057	100.00	41350060	413500600	100.00

DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE: 30-JUNE-2012

Shareholding Summary as on 30th June, 2012			
Category	No. of holders	Total Positions	% of Holding
Physical	9394	5055453	12.23
NSDL	1118	35179075	85.08
CDSL	545	1115532	2.70
Total	11057	41350060	100.00

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

Nomination facility

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

Dematerialisation of Shares

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

As per the Securities and Exchange Board of India (SEBI) Circular No: Cir/ISD/3/2011 dated June 17, 2011 on "trading rules and shareholding in dematerialized mode", all Listed Companies have to achieve 100% of their promoters and promoter group's holding in dematerialized form latest by December 2011. Accordingly all the promoters shares of your Company are held in electronic mode and as 30th June, 2012, and in total 87.77% of the Equity Shares of the Company were held in demat form.

Address for Investor Correspondence

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

Came Corporate Services Limited

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

Ms. S. Sreenidhi

Company Secretary and Compliance Officer
Premier Energy and Infrastructure Limited,
3rd Floor, Egmore Benefit Society Building
No. 25, Flowers Road, Kilpauk, Chennai - 600 084. India
Tel: + 91 44 - 26481213
Email: cs@premierenergy.in
Website: www.premierenergy.in

Online Information

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



DECLARATION

I, Vikram Mankal, Managing Director & C.E.O of Premier Energy and Infrastructure Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49 (I) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended June 30, 2012.

For Premier Energy and Infrastructure Limited

Place : Chennai
Date : 11th September, 2012

VIKRAM MANKAL
Managing Director & C.E.O.

**CERTIFICATE FROM COMPANY SECRETARY IN WHOLE TIME PRACTICE
ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF PREMIER ENERGY AND INFRASTRUCTURE LIMITED

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, 2012.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 : 11th September, 2012

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

CONSOLIDATED 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 2012**, the **Consolidated Statement of Profit and Loss** 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 RCI Power Limited, RCI Power AP Limited, RCI Windfarm 30 MW Private Limited and RCI Windfarm 50 MW Private Limited. These Financial Statements have been audited by other auditors whose report has been furnished to us and our opinion in so far as it relates to the amount included in the Financial Statements is based solely on the reports of the other auditors. ***In respect of subsidiary EMAS Engineers and Contractors Private Limited, in the absence of audited financial statements, the unaudited financial information has been used for consolidation purpose. The total assets of the Company amounts to 21,902 lakhs, revenues amounts to 10,822 lakhs and the net cash outflow amounts to 813 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 2012 included in the consolidated profit and loss account is Rs.1,386.35 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 on the basis of separate audited financial statements of Premier Energy and Infrastructure limited and its Subsidiaries and its associates 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 not obtained 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.18.92 crores (Outstanding as on 30th June,2012 - Nil),
7. We report that on the basis of the information and explanation given to us and on the consideration of the separate audit reports of individual audited financial statements of the Premier group, we are of the opinion that the said consolidated financial statements
 - ***Subject to non-provision for gratuity by Subsidiary EMAS Engineers and Contractors Private Limited as per requirements of AS 15 on Retirement Benefits as prescribed by the Institute of Chartered Accountants of India;***
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, 2012;
 - 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

Partner

M.No : 027251

Place : Chennai
Date : 11.09.2012



Consolidated Balance sheet as at June 30, 2012

(Amount in INR)

Particulars	Note No.	As at June 30, 2012	As at June 30, 2011
I EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	413,500,600	413,500,600
(b) Reserves and Surplus	3	1,421,276,785	1,262,453,113
(2) Non-Current Liabilities			
(a) Long-term Borrowings	4	293,816,162	138,766,776
(b) Long-term Provisions	5	393,952	259,182
(c) Minority Interest		229,730,630	226,380,023
(d) Deferred tax liabilities	6	8,106,174	6,868,988
(3) Current Liabilities			
(a) Trade payables	7	345,807,739	559,453,063
(b) Other current liabilities	8	1,078,496,260	771,611,899
(c) Short-term Borrowings	9	627,711,922	423,408,391
(d) Short-term Provisions	10	130,146,613	95,482,000
Total		4,548,986,831	3,898,184,032
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	1,025,371,558	1,098,949,623
(ii) Intangible assets		-	568,114
(iii) Capital Work In Progress		27,022,062	3,386,250
(b) Non-current investments	12	802,324,470	758,030,493
(c) Long term loans and advances	13	24,500	24,500
(d) Other Non-current assets		-	-
(2) Current assets			
(a) Inventories	14	1,227,455,745	907,923,958
(b) Trade receivables	15	530,914,144	375,656,534
(c) Cash and bank balances	16	55,794,059	137,330,330
(d) Short-term loans and advances	17	454,677,377	593,635,908
(e) Current investments	12	452,432	856,530
(f) Other current assets	18	424,950,484	21,821,792
Total		4,548,986,831	3,898,184,032
Statement of significant accounting policies	1		

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

T.V. Balasubramanian
Partner
M. No : 027251

Place : Chennai
Date : 11.09.2012

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

S. Sreenidhi
Company Secretary

Consolidated Statement of Profit & Loss for the year ended June 30, 2012

(Amount in INR)

Particulars	Note No.	For the Year ended June 30, 2012	For the year ended June 30, 2011
I. Revenue from operations	19	1,616,557,895	2,175,968,865
II. Other Income	20	14,001,756	28,097,063
III. Total Revenue (I +II)		1,630,559,651	2,204,065,928
IV. Expenses:			
Cost of materials consumed	21	700,504,172	616,044,729
Employee benefit expense	22	76,379,435	83,015,370
Selling, Administration & other expenses	23	637,614,722	1,304,158,045
Finance costs	24	107,488,362	119,506,906
Depreciation and amortization expense	11	32,093,918	47,333,899
Less: Withdrawal from Revaluation Reserve		-367,796	-571,320
		31,726,122	46,762,579
Total Expenses		1,553,712,813	2,169,487,629
V. Profit before tax		76,846,837	34,578,299
VI. Tax expense:			
(1) Current tax		35,432,846	11,700,000
(2) Previous years		10,779,683	6,239,360
(3) Deferred tax		1,237,185	1,355,083
(4) Mat Credit Entitlement account (Current Year)		-	(2,200,000)
(5) Mat Credit Entitlement account (Previous Year)		-	(81,282)
VII. Profit/(Loss) for the year		29,397,124	17,565,138
Less: Minority interest		3,350,607	6,149,583
Add: Share of Profit of Associates		138,635,740	86,337,912
VIII. Profit/(Loss) for the year carried to Balance sheet		164,682,257	97,753,467
IX. Earning per equity share: (Nominal value per share Rs.10)			
(1) Basic		3.98	2.36
(2) Diluted		3.98	2.36
Statement of Significant Accounting Policies	1		

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

T.V. Balasubramanian
Partner
M. No : 027251

Place : Chennai
Date : 11.09.2012

Vikram Mankal
Managing Director & CEO

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

S. Sreenidhi
Company Secretary



Consolidated Notes forming part of Financial Statements

Note 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 (except where otherwise stated) 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. The consolidation 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.

(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.
- 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.

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

(vi) Fixed assets

(a) Tangibles:

Land of RCI Power Ltd., RCI Power AP Ltd. is stated at revaluation amount.

Re-valued assets of Premier Energy & Infrastructure Limited, RCI Power Ltd, RCI Power AP Limited are stated at revalued amount 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.

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

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

In EMAS expenditure on improvements to leasehold premises is written off over a period of three years.

(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 Energy and Infrastructure Limited 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 Energy and Infrastructure Limited, 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.



Notes forming part of Consolidated Financial Statements (continued)

(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.

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.

(Amount in INR)

Particulars	As at June 30, 2012	As at June 30, 2011
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Note 2 : Share Capital

Authorized Share Capital:

4,41,50,000 (Previous Year 4,41,50,000) Equity shares of Rs.10 each 441,500,000 441,500,000

Issued, Subscribed and Fully Paid up Share Capital:

4,13,50,060 (Previous Year 4,13,50,060) Equity shares of Rs.10 each 413,500,600 413,500,600

Total 413,500,600 413,500,600

Reconciliation of number of shares

Number of equity shares at the beginning of the year	41,350,060	20,000,000
Add: Issue on Amalgamation (Effective date 1 July, 2010)	-	21,350,060
Number of equity shares at the end of the year	<u>41,350,060</u>	<u>41,350,060</u>

Number of shares held by share holders more than 5% of total shares

Name of the Shareholder	% of holding	2011-12	2010-11
Shri Housing Pvt Ltd	32.08%	13,266,380	13,266,380
Vidya Narayanamurthi (on behalf of Shriram Auto Finance)	25.12%	10,387,545	10,387,545
Vatsala Ranganathan (on behalf of Shriram Auto Finance)	8.37%	3,462,515	3,462,515
Vaata Infra Pvt Ltd	9.67%	4,000,000	4,000,000

Notes forming part of Consolidated Financial Statements (continued)

Particulars	As at June 30, 2012	As at June 30, 2011
Note 3 : Reserves and Surplus		
Capital reserve		
Arising from Merger of certain entities into the Company	146,827,447	146,827,447
Capital Reserve on Consolidation	17,254,624	17,254,624
Closing balance	<u>164,082,071</u>	<u>164,082,071</u>
Securities premium reserve		
Opening balance	950,864,127	96,957,321
Add: Addition / (reduction)	-	853,906,806
Closing balance	<u>950,864,127</u>	<u>950,864,127</u>
Revaluation reserve		
Opening balance	17,651,343	20,195,783
Add: On revaluation of fixed assets	-	-
Less: Incremental depreciation withdrawn for the year on revaluation	(367,796)	(571,319)
Less: Loss on revalued asset sold	(5,490,790)	(885,454)
Less: Transfer to General Reserve (for asset sold)	(11,792,757)	(1,087,667)
Closing balance	<u>-</u>	<u>17,651,343</u>
General reserve		
Opening balance	1,087,667	-
Add: Transfer from revaluation reserve on sale of asset	11,792,757	1,087,667
Closing balance	<u>12,880,424</u>	<u>1,087,667</u>
Surplus from Profit & Loss account		
Opening balance	128,767,906	31,014,439
Add: Current year surplus	164,682,257	97,753,467
Closing balance	<u>293,450,163</u>	<u>128,767,906</u>
Total	<u><u>1,421,276,785</u></u>	<u><u>1,262,453,113</u></u>
Note 4 : Long Term Borrowings		
Unsecured Loans	239,550,472	41,442,747
Secured Loans (Term loans from State Bank of Travancore Secured by first charge on Company's Fixed Assets to the extent taken assets financed by bank at the time of take over and parripassu charge on other fixed assets and second charge by hypothecation of current assets) (Repayable in 5 installments and carries an average interest of 16%)	54,265,690	97,324,029
Total	<u><u>293,816,162</u></u>	<u><u>138,766,776</u></u>
Note 5 : Long Term Provision		
Provision for Gratuity (Refer Note 34)	393,952	259,182
Total	<u><u>393,952</u></u>	<u><u>259,182</u></u>
Note 6 : Deferred Tax Liability		
Details of Deferred Tax		
On account of depreciation	8,186,259	6,949,073
Disallowance under Sec 43B	(80,087)	(80,087)
Total	<u><u>8,106,172</u></u>	<u><u>6,868,986</u></u>
Opening liability	6,868,988	5,513,903
Add: On account of depreciation	1,237,186	2,493,897
Add: On account of 43B disallowances	-	(1,138,812)
Others	-	-
Total	<u><u>8,106,174</u></u>	<u><u>6,868,988</u></u>

Notes forming part of Consolidated Financial Statements (continued)

(Amount in INR)

Particulars	As at June 30, 2012	As at June 30, 2011
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Note 7 : Trade Payables

Sundry Creditors		
- Micro Enterprises and Small Enterprises*	-	-
- Other than Micro Enterprises and Small Enterprises	345,807,739	559,453,063
Total	<u>345,807,739</u>	<u>559,453,063</u>

Note 8 : Other Current Liabilities

Salaries Payable	1,919,572	1,155,448
Other Creditors (includes Rs.31,370,885 payable to parties as per court settlement)	62,107,509	59,304,193
Customer credit balances	973,698,492	643,589,598
Statutory Liabilities	26,749,211	58,665,922
Provision for Sales tax	652,484	-
Provision for labour Cess	24,644	-
Provision for Leave Salary	945,509	500,599
Provision for Service Tax	-	131,146
Temporary Overdraft from Banks	-	2,152,680
Interest accrued and due on borrowings	12,398,839	6,112,313
Total	<u>1,078,496,260</u>	<u>771,611,899</u>

Note 9 : Short Term Borrowings

Secured Loans- From banks (Term loan from State Bank of Travancore secured on a first charge by way of hypothecation of Current Assets (both present and future) of the Company and as second charge on all Fixed Assets)	605,835,802	401,532,271
From Others	21,876,120	21,876,120
Total	<u>627,711,922</u>	<u>423,408,391</u>

Note 10 : Short Term Provisions

Provision for income tax	130,146,613	95,482,000
Total	<u>130,146,613</u>	<u>95,482,000</u>

Note 11 : Fixed Assets

Asset	Gross Block				Depreciation				Net Block	
	Opening balance	Additions	Deletions	Total	Opening balance	Additions	Deletions	Total	As at 30 th June 2012	As at 30 th June 2011
Tangible asset										
Land	698,770,000	-	-	698,770,000	-	-	-	-	698,770,000	698,770,000
Leasehold Land	74,831,750	-	-	74,831,750	-	-	-	-	74,831,750	74,831,750
Building	48,295,691	-	48,295,691	-	3,401,935	515,467	3,917,402	-	-	44,893,756
Plant & Equipments	488,605,830	1,014,311	-	489,620,141	217,649,497	28,820,132	-	246,469,629	243,150,512	270,956,333
Furniture & Fittings	4,896,762	23,998	-	4,920,760	3,232,145	306,848	-	3,538,993	1,381,767	1,664,617
Computers	7,285,598	220,278	-	7,505,876	6,093,906	566,075	-	6,659,981	845,895	1,191,692
Office Equipments	4,712,755	48,168	-	4,760,923	2,662,921	328,419	-	2,991,340	1,769,583	2,049,834
Air Conditioners	2,689,677	-	-	2,689,677	1,587,462	155,785	-	1,743,247	946,430	1,102,215
Vehicles	10,626,378	993,353	-	11,619,731	7,531,263	696,577	-	8,227,840	3,391,891	3,095,115
Interiors	4,467,726	25,920	-	4,493,646	4,104,025	132,240	-	4,236,265	257,381	363,701
Met Mast	175,000	-	-	175,000	144,389	4,260	-	148,649	26,351	30,611
Intangible asset										
Goodwill	3,787,404	-	-	3,787,404	3,219,290	568,114	-	3,787,404	-	568,114
Total	1,349,144,571	2,326,028	48,295,691	1,303,174,908	249,626,833	32,093,918	3,917,402	277,803,349	1,025,371,558	1,099,517,737
Capital Work In Progress	3,386,250	23,635,812	-	27,022,062	-	-	-	-	27,022,062	3,386,250
Previous year	1,248,983,305	105,912,907	2,365,391	1,352,530,821	202,774,020	47,023,722	170,910	249,626,832	1,102,903,989	1,046,209,285

Notes forming part of Consolidated Financial Statements (continued)

(Amount in INR)

Particulars	As at June 30, 2012	As at June 30, 2011
Note 12 : Non Current Investments		
Investment in equity instruments		
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 5,75,430)	48,452,526	48,452,526
Orient Green Power Co. Ltd. 45100 shares of Rs. 10/- each (Previous year 31,56,850)	1,334,835	97,335,473
Less: Diminution in Value of Investment for Orient Green Power Co. Ltd.	(24,043)	(1,682,918)
	<u>1,310,792</u>	<u>95,652,555</u>
	<u>49,763,318</u>	<u>144,105,081</u>
Shares - Unquoted		
Associates		
Haldia Coke & Chemicals Pvt. Limited- 1,37,50,000 shares of Rs10 each (Previous year 1,37,50,000)	752,561,152	613,925,412
Note: Cost of investment in Associate (Haldia Coke & Chemicals Pvt. Ltd.)	527,587,500	527,587,500
Add: Share of profit for the year	224,973,652	86,337,912
	<u>752,561,152</u>	<u>613,925,412</u>
Total	<u>802,324,470</u>	<u>758,030,493</u>
Current Investments (At Lower of Cost and Fair Value)		
Shares - Quoted		
3i Infotech Limited - 1,000 Equity Shares of Rs 10/- each fully paid up (Previous Year - 1000)	9,830	46,200
Assam Company - 1000 Equity Shares of Rs.10/- each (Previous year - 1000)	6,270	15,000
BGR Energy Systems - 200 Equity Shares of Rs. 10 (Previous year - 200)	60,400	89,810
Bilcare Ltd - 700 Equity Shares of Rs. 10 Each (Previous year - 700)	105,875	286,860
Century Textiles Ltd - 750 Equity Shares of Rs.10 Each (Previous Year - 750)	231,787	264,263
Rural Electrification - 200 Equity Shares of Rs. 10/- each (Previous year - 200)	38,270	39,160
SPIC - Nil Equity Shares of Rs. 10 Each (Previous year - 1000)	-	27,298
Torrent Pharma - Nil Equity Shares of Rs.5 Each (Previous year - 150)	-	87,939
	452,432	856,530
Notes: Aggregate amount of Quoted Investments	50,215,750	144,961,611
Aggregate amount of Unquoted Investments	1,400,918,767	1,400,918,767
Total	<u>1,451,134,517</u>	<u>1,545,880,378</u>
Note 13 : Long Term Advances		
Advance to fellow subsidiary	-	-
Deposits (Assets)	24,500	24,500
Total	<u>24,500</u>	<u>24,500</u>
Note 14 : Inventories		
Valued at lower of cost and net relizable value		
Raw materials	1,081,783,432	907,923,958
Finished goods	-	-
Land acquired for trading	145,672,313	-
Total	<u>1,227,455,745</u>	<u>907,923,958</u>

Notes forming part of Consolidated Financial Statements (continued)

Particulars	(Amount in INR)	
	As at June 30, 2012	As at June 30, 2011
Note 15 : Trade Receivables (Unsecured, considered good)		
Trade receivables outstanding for more than 6 months from due date	27,136,573	35,536,573
Others	503,777,571	340,119,961
Total	530,914,144	375,656,534
Note 16 : Cash and Bank Balances		
Balance with banks		
in current account	705,997	2,036,717
in deposits	22,096,156	122,375,000
Cash in hand	32,991,906	12,918,613
Total	55,794,059	137,330,330
Note 17 : Short Term Loans and Advances (Unsecured, considered good)		
Advance to supplier	231,860,000	320,000,000
Advance to subsidiary	-	-
Interest accrued but not due	25,136	37,859
Others	53,865,347	59,200,942
Advances for expenses	3,820,305	23,831,408
Advance for land	-	3,365,340
Statutory receivables (Refunds, TDS receivable, etc.)	150,003,117	166,206,281
Others Deposits	15,103,472	20,994,078
Total	454,677,377	593,635,908
Note 18 : Other Current Assets		
Unbilled revenue	409,097,182	-
Prepaid expenses	3,961,203	11,815,320
Service Tax credit	465,266	-
Interest accrued on deposits	9,523,600	6,972,187
Others	1,871,233	2,976,785
Miscellaneous expenses	-	17,500
Pre incorporation expenses	32,000	40,000
Total	424,950,484	21,821,792
Particulars	For the year ended	
	June 30, 2012	June 30, 2011
Note 19 : Revenue from Operations		
Development of infrastructure for power projects	1,616,557,895	2,175,968,865
Total	1,616,557,895	2,175,968,865
Note 20 : Other Income		
Interest Income	6,570,319	9,052,452
Dividend Income	12,925	36,697
Net gain / (loss) on sale of investment	1,669,271	3,110,740
Rent Receipt	2,281,400	3,422,100
Others	3,467,841	12,475,074
Total	14,001,756	28,097,063
Note 21 : Direct Expenses		
Project expenses for development of infrastructure for power projects	700,504,172	616,044,729
Total	700,504,172	616,044,729

Notes forming part of Consolidated Financial Statements (continued)

(Amount in INR)

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
Note 22 : Employee Benefit Expenses		
Salaries & Wages	71,852,522	77,373,132
Leave Encashment	444,910	500,599
Bonus	510,000	470,000
Gratuity	134,770	(76,835)
Leave Travel Allowance	138,500	120,000
Medical	282,781	163,050
Welfare expenses	1,437,827	1,683,392
Contribution to Provident and other funds	1,578,125	2,782,032
Total	76,379,435	83,015,370
Note 23 : Selling, Administration & Other Expense		
Advertisement	1,439,803	582,785
Legal expenses	2,458,285	4,551,106
Professional charges	6,154,094	5,814,427
Rent	15,235,201	15,136,267
Electricity	2,451,292	4,184,075
Office expenses	106,400	718,054
Rates and taxes, excluding, taxes on income	19,929,938	44,188,161
Repairs & Maintenance Buildings	42,267	168,275
Repairs & Maintenance Vehicles	1,092,709	850,665
Repairs to Office Equipments	30,349	36,705
Repairs & Maintenance - Others	5,000,295	8,043,578
Insurance	3,467,240	2,861,322
Donations	827,701	1,213,350
Printing & Stationery	1,049,459	1,282,550
Communication expenses	2,722,562	2,975,208
Travelling & conveyance expenses	6,427,314	7,679,609
Listing & Depository Fees	159,793	352,840
Training Expenses	73,350	-
Remuneration to Directors	4,800,000	6,036,767
Sitting fees	90,000	60,000
Audit fees		
- Statutory Auditor	2,304,123	1,787,400
- Taxation services	110,300	110,300
Brokerage	857,858	-
Provision for Diminution in Value of Investments	288,860	1,855,549
Tendering Expenses	185,789	433,536
Business development & promotion expenses	1,178,861	1,982,241
Safety Expenses	5,855,842	4,978,059
Subcontractors Charges	363,231,646	855,693,676
Labour Charges	144,135,233	281,476,764
Transport/Machinery Hire Charges	35,553,394	36,859,087
Mobilization Expenses	255,619	1,113,760
Misc.Site Expenses	6,383,585	8,496,852
Vehicles Site Expenses	322,582	417,132
Miscellaneous Expenses	530,729	1,582,434
Advances written off	-	618,011
Bad debts written off	2,836,750	-
Preliminary expense written off	25,500	17,500
Total	637,614,722	1,304,158,045

Notes forming part of Consolidated Financial Statements (continued)

(Amount in INR)

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
Note 24 : Finance Costs		
Interest Expenses	107,476,392	119,454,820
Bank charges	11,970	52,086
Total	107,488,362	119,506,906

Note 25 : 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 Private Limited	India	100%
RCI Windfarm 50 MW Private Limited	India	100%
Associates:		
Haldia Coke & Chemicals Private Limited	India	29.97%

Note 26 : The Contribution of the subsidiaries during the year is as under:

(Amount in Rs. Lakhs)

	Revenue	Net Profit	Net Assets
EMAS Engineers & Contractors Pvt. Limited	10821.87	33.64	21206.64
RCI Power Limited	Nil	0.57	6123.84
RCI Power AP Limited	Nil	-0.37	786.84
RCI Windfarm 30 MW Private Limited	Nil	-0.21	1.00
RCI Windfarm 50 MW Private Limited	Nil	-0.21	1.00
Haldia Coke & Chemicals Private Limited (Associate)	Nil	1,386.35	Nil

Note 27 : 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 Company has entered into agreement with OGPL and its associates or subsidiaries to erect and commission wind power projects at Tadipatri. The Company executes this through Vaata Infra Private Limited. The Company has not provided for Works contract tax on the said transaction.
- (c) The land at Luz Church Road purchased during the year 2007-08 (in joint name with another company) has not been registered. Liability of registration charges for land amount indeterminate.
- (d) The Company has acquired land for development from Amrit Technologies Private Limited at 14.56 crores. The company has not registered the land in the name of the Company. Liability for registration charges for land - Amount indeterminate.

Note 28 : Capital Commitments

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

Note 29 : 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.

Notes forming part of Consolidated Financial Statements (continued)

Note 30 : Segment 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. Lacs)

Particulars	As at June 30, 2012			As at June 30, 2011		
	Infrastructure Development	Engineering & construction	Total	Infrastructure Development	Engineering & construction	Total
Revenue	5,484	10,822	16,306	3,307	18,733	22,041
Direct expenses	4,497	2,208	6,705	2,495	3,677	6,171
Un-allocable expenses			8,832			15,524
Profit before taxes			768			346
Exceptional items			0			0
Taxes			474			170
Profit before minority interest and share of profit/ (loss) of associate			294			176
Minority interest			34			61
Share of profit / (loss) of associate			1,386			863
Net profit for the year			1,647			978

Segment Assets & Liabilities

(Amount in Rs. Lacs)

	Infrastructure Development	Engineering & construction	Total	Infrastructure Development	Engineering & construction	Total
Assets	24,283	21,207	45,490	20,397	18,585	38,982
Liabilities	9,501	15,344	24,845	5,760	14,199	19,959

Note 31 : Impairment of Assets

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

Note 32 : 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 Premier Energy & Infrastructure Limited	Mr. Vikram Mankal
Managing Director of EMAS Engineers & Contractors Pvt. Limited	Mr. S. Srinivasan.

Note:

* Consequent to the merger of M/s. Valagam Power Projects Pvt. Limited and M/s.Black Gold Chemicals Private Limited with the Company with effect from 1st July 2010, the Company has ceased to be a subsidiary of 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.



Notes forming part of Consolidated Financial Statements (continued)

Transactions with related parties:

(Amount in INR)

Party	Opening Balance in Rs.	Received during the year	Paid during the year	Closing balance
Shriram Auto Finance	Nil Pr. year (48,300,000)	215,310,000 Pr. year (518,587,400)	215,310,000 Pr. year (563,922,400)	-
Haldia Coke & Chemicals Private Limited	21,353 (Receivable) Pr. year (Nil)	7,118,894 Pr. year (18,500,000)	7,270,592 Pr. year (18,500,000)	(130,345) (Payable) Pr. year (Nil)
Shri Housing Private Limited	Nil Pr year (Nil)	95,997,488	96,000,000	(2,512)

Purchases from / Sales to related parties: (Amount in INR)

Party	Purchases
Vaata Infra Private Limited	128,818,418

Note 33 : Earnings Per Share (EPS)

Calculation of EPS - (Basic and Diluted)

Particulars	For the year ending 30 June, 2012	For the year ending 30 June, 2011
Profit after Tax (in Rupees)	164,682,257	97,753,467
Profit after Tax for diluted EPS (in Rupees)	164,682,257	97,753,467
Weighted average number of shares for basic EPS	41,350,060	41,350,060
Weighted average number of shares for diluted EPS	41,350,060	41,350,060
Nominal value of shares	Rs.10	Rs.10
Basic Earnings per ordinary share in Rs.	3.98	2.36
Diluted earnings per ordinary share in Rs.	3.98	2.36

Note 34 : Exposure on Derivatives & Un hedged foreign currency exposure - NIL

Employee benefits: Gratuity:

The **Projected Unit Credit Method** has been used to estimate the actuarial liability

S. No.	Particulars	For the year ended 30 th June 2012	For the year ended 30 th June 2011
A	Net asset/ (liability) recognized in the Balance Sheet.		
	Present value of funded obligation	(393,952)	(259,182)
	Fair value of plan assets	-	-
	(Deficit) / surplus	-	-
	Present value of unfunded obligation	-	-
	Unrecognised past service cost	-	-
	Net asset / liability		
	- Assets	-	-
	- Liability	(393,952)	(259,182)
B	Expense recognized in the Profit & loss account.		
	Current service cost	150,190	(259,182)
	Interest cost	22,030	-
	Expected return on plan assets	-	-
	Actuarial (gains) / losses	(37,450)	-
	Past service cost	-	-
	Adjustments made in the Current period	-	-
	Total expense	134,770	259,182

Notes forming part of Consolidated Financial Statements (continued)

S. No.	Particulars	For the year ended 30 th June 2012	For the year ended 30 th June 2011
C	Change in present value of obligation during the year		
	Present value of defined benefit obligation as at the Beginning of the year	259,182	–
	Adjustment to opening balance	–	–
	Current service cost	150,190	–
	Interest cost	22,030	–
	Past service cost	–	259,182
	Actuarial gains / losses	(37,450)	–
	Benefits paid	–	–
	Present value of defined benefit obligation as at the end of the year	–	–
	Accrued Liability as at the end of the period	393,952	259,182
	Principal actuarial assumptions :		
	Discount rate.	8.50%	8%
	Mortality	LIC (1994-96) Ultimate Mortality Tables	LIC (1994-96) Ultimate Mortality Tables
	Resignation rate per annum	0.00%	0.00%
	Salary Escalation per annum	10.00%	10.00%

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

Note 35 : Previous period comparatives

The previous year numbers have been regrouped wherever necessary.

For and on behalf of

PKF Sridhar & Santhanam

Chartered Accountants
Firm Reg. No : 003990S

T.V. Balasubramanian

Partner
M. No : 027251

Place : Chennai
Date : 11.09.2012

For and on behalf of

Premier Energy and Infrastructure Limited

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary



Consolidated Cash Flow Statement

(Amount in INR)

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	76,846,837	34,578,299
Profit before tax from discontinuing operations		
Profit before tax	<u>76,846,837</u>	<u>34,578,299</u>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / Amortization	31,726,122	46,762,579
Interest Expense	107,488,362	119,506,906
Provision for Gratuity	134,770	259,182
Interest income	(6,570,319)	(9,052,452)
Dividend From Investments	(12,925)	(36,697)
Profit from sale of investments	(1,669,271)	(3,110,740)
Diminution in Value of Investment	288,860	1,855,549
Profit on sale of fixed assets	-	(3,973)
Operating Profit before working capital changes	208,232,437	190,758,653
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	(213,645,325)	382,468,712
Increase/ (Decrease) in Other current liabilities	306,884,361	(93,517,271)
Increase/ (Decrease) in Short Term Provisions	-	(292,600)
Increase/ (Decrease) in long term loans & advances	-	-
Decrease/ (Increase) in Trade Receivables	(155,257,610)	(65,226,618)
Decrease/ (Increase) in Inventories	(319,531,787)	(227,530,000)
Decrease/ (Increase) in Short Term Loans & Advances	136,624,166	265,382,972
Decrease/ (Increase) in Other Current Assets	-	-
Decrease/ (Increase) in Other Current Assets	(403,128,692)	(22,610)
Cash Generated from/ (used in) operations	(439,822,450)	452,021,238
Direct Taxes Paid (Net of Refunds)	(9,213,551)	(10,773,373)
Net Cash Flow From/ (Used in) operating Activities	(A) <u>(449,036,001)</u>	<u>441,247,865</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP	(25,961,840)	(102,526,657)
Sale of Fixed Assets	38,887,500	1,313,000
Purchase of Investments	-	(312,190,098)
Sale of Investments	96,126,270	17,168,661
Dividend from Investments	12,925	36,697
Interest Received	6,570,319	3,110,740
Net Cash Flow From/ (Used in) Investing Activities	(B) <u>115,635,174</u>	<u>(393,087,657)</u>

Consolidated Cash Flow Statement (Contd.)

Particulars	(Amount in INR)	
	For the year ended June 30, 2012	For the year ended June 30, 2011
CASH FLOW FROM FINANCING ACTIVITIES		
Preliminary & Incorporation expenses	–	(40,000)
Increase in share capital & premium	–	14,904,406
Proceeds/ (Repayments) from Long-term borrowings	155,049,386	167,006,726
Proceeds/ (Repayments) from short-term borrowings	204,303,531	–
Interest Paid	(107,488,362)	(119,506,906)
Net Cash Flow From/ (Used in) Financing Activities	(C)	62,364,226
Net Increase/ (decrease) in cash and cash equivalents	(A+B+C)	110,524,435
Cash and Cash equivalents at the beginning of the year	137,330,330	26,805,895
Cash and Cash equivalents at the end of the year	55,794,059	137,330,330
NOTE:		
Cash and Cash equivalents as per Balance Sheet	55,794,059	137,330,330
Cash and Cash equivalents as Cash Flow Statement	55,794,059	137,330,330

For and on behalf of Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 11.09.2012

AUDITOR'S REPORT

We have examined the attached Cash Flow Statement of Premier Energy and Infrastructure Limited for the year ended 30th June 2012. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and Balance Sheet of the Company by our Report dated 11th September 2012 to the Members of the Company.

Place : Chennai
Date : 11.09.2012

For and on behalf of
PKF Sridhar & Santhanam
Chartered Accountants
Firm Reg. No: 003990S
T.V. Balasubramanian
Partner
M. No : 027251



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 2012**, the **Statement of Profit and Loss** 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:
 - Non obtaining of prior approval from Central Government of India under 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.18.92 crores (Outstanding as on 30th June, 2012 - Nil),
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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2012, 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 and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 30th June, 2012;
 - (b) in the case of the Statement of profit and loss, 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
Partner
M.No : 027251

Place : Chennai
Date : 11.09.2012

**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 2012**

- (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 Company and such disposal in our opinion, has not affected the going concern status of the Company.
- (ii) Inventories:
The Company does not have inventory and hence this clause is not applicable.
- (iii) (a) The Company has granted unsecured loans of Rs. 18.84 crores to a firm and Rs.14.09 crores to a Company covered in the Register maintained under Section 301 of the Companies Act. The year end balances of the loan amounts to Rs.14.09 crores. 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.
- (b) The Company has not taken unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (iv) The company has an adequate internal control Procedure commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, and for the 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 accepted deposits from a partnership firm and repaid during the year within a period of 30 days 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 has not maintained cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 (1 of 1956).
- (ix) The Company is generally regular in depositing undisputed statutory dues including income-tax, sales tax, service tax, cess and other statutory dues with appropriate authorities. Minor delays which have been observed are not significant. 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. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months after they became payable.
- (x) The Company does not have any accumulated losses at the end of the year and has not incurred cash losses in the current year and the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institution or bank or debenture holders except that the Company has a liability to pay to HUDCO Rs.56 lacs pursuant to a scheme of arrangement approved by the Court in February 2004, which is being contested by HUDCO and hence the payment for the same is being rejected by the party.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4(xii) of the order is not applicable.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund etc., are applicable, accordingly paragraph 4 (xiii) of the Order is not applicable.
- (xiv) The Company has invested only its surplus funds in investments other than its subsidiaries and associates and hence clause 4(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us, the Company has 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 not 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 Company has not raised any money by Public issue during the year;
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 30th June 2012.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No : 003990S

T.V. BALASUBRAMANIAN

Place : Chennai
Date : 11.09.2012

Partner
M.No : 027251



Standalone Balance sheet as at June 30, 2012

(Amount in INR)

Particulars	Note No.	As at June 30, 2012	As at June 30, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	413,500,600	413,500,600
(b) Reserves and Surplus	3	1,169,817,610	1,152,971,905
(2) Non-Current Liabilities			
(a) Long-term Provisions	4	393,952	259,182
(b) Deferred tax liabilities (Net)	5	213,982	183,863
(3) Current Liabilities			
(a) Trade payables	6	65,120,034	90,686,884
(b) Other current liabilities	7	824,382,672	454,277,561
(c) Short-term Borrowings	8	21,876,120	21,876,120
(d) Short-term provisions	9	31,422,440	–
Total		<u>2,526,727,406</u>	<u>2,133,756,112</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	93,462,024	138,398,896
(ii) Intangible assets		–	568,114
(b) Non-current investments	11	1,450,682,085	1,545,023,848
(2) Current assets			
(a) Inventories	13	145,672,313	–
(b) Trade receivables	14	–	65,226,618
(c) Cash and cash equivalents	15	411,356	855,273
(d) Short-term loans and advances	16	426,304,642	382,804,223
(e) Current investments	12	452,432	856,530
(f) Other current assets	17	409,742,554	22,610
Total		<u>2,526,727,406</u>	<u>2,133,756,112</u>
Statement of significant Accounting policies	1		

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

T.V. Balasubramanian
Partner
M. No : 027251

Place : Chennai
Date : 11.09.2012

Vikram Mankal
Managing Director & CEO

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

S. Sreenidhi
Company Secretary

Standalone Statement of Profit & Loss for the year ended June 30, 2012

(Amount in INR)

Particulars	Note No.	For the Year ended June 30, 2012	For the year ended June 30, 2011
I. Revenue from operations	18	543,741,256	319,061,142
II. Other Income	19	4,413,666	11,462,542
III. Total Revenue (I +II)		<u>548,154,922</u>	<u>330,523,684</u>
IV. Expenses:			
Direct Expenses			
Cost of materials consumed	20	448,818,418	294,028,472
Indirect Expenses			
Employee benefit expense	21	13,737,646	12,672,030
Selling, Administration & other expenses	22	18,986,953	11,633,497
Financial costs	23	60,836	553,306
Depreciation and amortization expense	10	1,214,097	1,661,553
Less: Withdrawal from Revaluation Reserve		-367,796	-571,320
Total Expenses		<u>846,301</u>	<u>1,090,233</u>
V. Profit before tax		65,704,768	10,546,146
VI. Tax expense:			
(1) Current tax		32,190,673	2,200,000
(2) Previous years		10,779,683	6,239,360
(3) Deferred tax		30,122	(1,138,815)
(4) Mat Credit Entitlement account (Current Year)		-	(2,200,000)
(5) Mat Credit Entitlement account (Previous Year)		-	(81,282)
VII. Profit/(Loss) for the year		<u>22,704,290</u>	<u>5,526,883</u>
VIII. Earning per equity share:			
(1) Basic Refer Note 24(viii)		0.55	0.13
(2) Diluted Refer Note 24(viii)		0.55	0.13
Statement of Significant Accounting Policies	1		

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

T.V. Balasubramanian
Partner
M. No : 027251

Place : Chennai
Date : 11.09.2012

Vikram Mankal
Managing Director & CEO

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

S. Sreenidhi
Company Secretary



Notes forming part of Financial Statements

Note 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 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

Revenue from Infrastructure Development is recognised on percentage completion method.

Dividend Income on Investments is accounted for when the right to receive the payment is established.

Interest on short term investments are recognised on time proportion basis taking into account the amounts invested and the rate of interest.

Profit / (Loss) on Sale of Current Investments, being the difference between the contracted rate and the cost (determined on weighted average basis) of the investments is recognised on sale.

Rental income is recognised on straight line basis over the primary period of the arrangement.

(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 and Fair value whichever is lower. Cost of Acquisition is inclusive of expenditure incidental to acquisition.

Transfer of investments from current to long term is made at lower of cost or market value prevalent on the date of transfer.

Notes forming part of Financial Statements (Contd.)

(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 Statement of profit and loss.

(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 Provident Fund are not applicable.

(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 Statement of profit and loss on an accrual basis. Actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

(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 Guidance Note issued by the Institute of Chartered Accountants of India if it is recognized, by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet Date and writes down the Carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(xi) Contingent Asset and Liabilities:

Provision is not recognized for:-

- 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
- 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.

(Amount in INR)

Particulars	As at June 30, 2012	As at June 30, 2011
Note 2 : Share Capital		
Authorized Share Capital:		
4,41,50,000 (Previous Year 4,41,50,000) Equity shares of Rs.10 each	<u>441,500,000</u>	<u>441,500,000</u>
Issued, Subscribed and Fully Paid up Share Capital:		
4,13,50,060 (Previous Year 4,13,50,060) Equity shares of Rs.10 each	<u>413,500,600</u>	<u>413,500,600</u>
Total	<u>413,500,600</u>	<u>413,500,600</u>
Reconciliation of number of shares		
Number of equity shares at the beginning of the year	<u>41,350,060</u>	20,000,000
Add: Issue on Amalgamation	-	<u>21,350,060</u>
Number of equity shares at the end of the year	<u>41,350,060</u>	<u>41,350,060</u>

Notes forming part of Financial Statements (Contd.)

Number of shares held by share holders more than 5% of total shares

Name of the Shareholder	% of holding	2011-12	2010-11
Shri Housing Pvt Ltd	32.08%	13,266,380	13,266,380
Vidya Narayanamurthi (On behalf of Shriram Auto Finance)	25.12%	10,387,545	10,387,545
Vatsala Ranganathan (On behalf of Shriram Auto Finance)	8.37%	3,462,515	3,462,515
Vaata Infra Pvt Ltd	9.67%	4,000,000	4,000,000

Particulars	As at June 30, 2012	As at June 30, 2011
Note 3 : Reserves and Surplus		
Capital reserve on amalgamation		
Opening balance	146,827,447	146,827,447
Add: Addition / (reduction)	–	–
Closing balance	146,827,447	146,827,447
Securities premium reserve		
Opening balance	950,864,127	96,957,321
Add: Addition / (reduction)	–	853,906,806
Closing balance	950,864,127	950,864,127
Revaluation reserve		
Opening balance	17,651,343	20,195,783
Add: On revaluation of fixed assets	–	–
Less: Incremental depreciation withdrawn for the year on revaluation	(367,796)	(571,320)
Less: Loss on revalued asset sold	(5,490,790)	(885,453)
Less: Transfer to General Reserve (for asset sold)	(11,792,757)	(1,087,667)
Closing balance	–	17,651,343
General reserve		
Opening balance	1,087,667	–
Add: Transfer from revaluation reserve on sale of asset	11,792,757	1,087,667
Closing balance	12,880,424	1,087,667
Surplus from Profit & Loss account		
Opening balance	36,541,322	31,014,439
Add: Current year surplus	22,704,290	5,526,883
Closing balance	59,245,612	36,541,322
Total	1,169,817,610	1,152,971,905
Note 4 : Long Term Provision		
Provision for Gratuity (Refer Note 24 (xiv))	393,952	259,182
	393,952	259,182
Note 5 : Deferred Tax Liability		
Opening liability	183,860	1,322,675
Add: On account of depreciation	30,122	–
Add: On account of 43B disallowances	–	(1,138,815)
Deferred Tax Liability	213,982	183,860
Details of Deferred Tax		
On account of depreciation	294,069	263,947
Disallowance under Section 43B	(80,087)	(80,087)
Total	213,982	183,860

Notes forming part of Financial Statements (Contd.)

(Amount in INR)

Particulars	As at June 30, 2012	As at June 30, 2011
Note 6 : Trade Payables		
Sundry Creditors		
- Micro Enterprises and Small Enterprises*	-	-
- Other than Micro Enterprises and Small Enterprises	65,120,034	90,686,884
Total	65,120,034	90,686,884
Note 7 : Other Current Liabilities		
Salaries Payable	1,919,572	1,155,448
Other Creditors (includes Rs.31,370,885 payable to parties as per court settlement)	33,182,231	1,564,241
Customers' Credit Balances	786,417,187	448,281,400
Statutory Liabilities	1,241,045	492,047
Provision for Sales tax	652,484	-
Provision for labour Cess	24,644	-
Provision for Leave Salary	945,509	500,599
Provision for Service Tax	-	131,146
Temporary Overdraft from Banks	-	2,152,680
Total	824,382,672	454,277,561
Note 8 : Short Term Borrowings		
Unsecured Loans (Refer Note 24 (iv) (Payable on demand under the scheme of arrangement)	21,876,120	21,876,120
Total	21,876,120	21,876,120
Note 9 : Short Term Provisions		
Provision for income tax (Net of advance tax)	31,422,440	-
Total	31,422,440	-
Note 10 : Fixed Assets		

Asset	Gross Block				Depreciation				Net Block	
	Opening balance	Additions	Deletions	Total	Opening balance	Additions	Deletions	Total	As at 30 th June 2012	As at 30 th June 2011
Tangible asset										
Land*	92,470,000	-	-	92,470,000	-	-	-	-	92,470,000	92,470,000
Building	48,295,691	-	48,295,691	-	3,401,935	515,467	3,917,402	-	-	44,893,756
Plant & Equipments	94,663	87,400	-	182,063	65,717	13,000	-	78,717	103,346	28,946
Vehicles	1,237,023	-	-	1,237,023	230,829	117,516	-	348,345	888,678	1,006,194
Intangible asset										
Goodwill	3,787,404	-	-	3,787,404	3,219,290	568,114	-	3,787,404	-	568,114
Total	145,884,781	87,400	48,295,691	97,676,490	6,917,771	1,214,097	3,917,402	4,214,466	93,462,024	138,967,010
Previous year	54,955,822	93,258,700	2,329,741	145,884,781	5,394,505	1,661,553	138,287	6,917,771	138,967,010	49,561,317

Note:

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



Notes forming part of Financial Statements (Contd.)

(Amount in INR)

Particulars	As at June 30, 2012	As at June 30, 2011
Note 11 : Non Current Investments (Non Trade)		
Investment in equity instruments		
I. Long Term Investments:		
(At Cost less Provision for Diminution in Value)		
Shares Quoted		
Ennore Coke Limited - 5,75,430 Equity Shares of Rs 10/- each fully paid up (Previous Year 5,75,430)	48,452,526	48,452,526
Orient Green Power Co. Ltd. 45100 shares of Rs. 10/- each (Previous year 31,56,850) (Refer Note 24 (ii))	1,334,835	97,335,473
Less: Diminution in Value of Investment for Orient Green Power Co. Ltd.	(24,043)	(1,682,918)
	<u>1,310,792</u>	<u>95,652,555</u>
	<u>49,763,318</u>	<u>144,105,081</u>
Shares - Unquoted		
Subsidiaries		
Emas Engineers & Contractors Pvt Ltd - 64,24,050 Equity Shares of Rs. 10/- each (Previous year 64,24,050)	185,462,500	185,462,500
RCI Power Limited- 1,49,13,500 shares of Rs 10 each (Previous year 1,49,13,500)	609,280,591	609,280,591
RCI Power APLimited- 49,994 shares of Rs 10 each (Previous Year 49,994 Shares)	78,588,176	78,588,176
	<u>873,331,267</u>	<u>873,331,267</u>
Associates		
Haldia Coke & Chemicals Pvt. Limited- 1,37,50,000 shares of Rs10 each (Previous year 1,37,50,000)	527,587,500	527,587,500
Total	<u>1,450,682,085</u>	<u>1,545,023,848</u>
Note 12 : Current Investments		
(At Lower of Cost and Fair Value)		
Shares - Quoted		
3i Infotech Limited - 1,000 Equity Shares of Rs 10/- each fully paid up (Previous Year 1000)	9,830	46,200
Assam Company - 1000 Equity Shares of Rs.10/- each (Previous year - 1000)	6,270	15,000
BGR Energy Systems - 200 Equity Shares of Rs. 10 (Previous year - 200)	60,400	89,810
Bilcare Ltd - 700 Equity Shares of Rs. 10 Each (Previous year - 700)	105,875	286,860
Century Textiles Ltd - 750 Equity Shares of Rs.10 Each (Previous Year - 750)	231,787	264,263
Rural Electricification - 200 Equity Shares of Rs. 10/- each (Previous year - 200)	38,270	39,160
SPIC - Nil Equity Shares of Rs. 10 Each (Previous year - 1000)	-	27,298
Torrent Pharma - Nil Equity Shares of Rs. 5 Each (Previous year - 150)	-	87,939
	<u>452,432</u>	<u>856,530</u>
Notes:		
Aggregate amount of Quoted Investments	50,215,750	144,961,611
Aggregate amount of Unquoted Investments	1,400,918,767	1,400,918,767
	<u>1,451,134,517</u>	<u>1,545,880,378</u>

Scrip Name	(Value in Rupees)									
	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 Co Ltd (Refer note under investments)	3,156,850	97,335,474	-	-	3,111,750	95,997,488	(3,150)	24,043	45,100	1,310,793
Ennore Coke Limited	575,430	48,452,526	-	-	-	-	-	-	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 Coke & Chemicals Pvt Limited	13,750,000	527,587,500	-	-	-	-	-	-	13,750,000	527,587,500
RCI Power Limited	14,913,500	609,280,591	-	-	-	-	-	-	14,913,500	609,280,591
RCI Power AP Limited	49,994	78,588,176	-	-	-	-	-	-	49,994	78,588,176
Sub-Total	38,869,824	1,546,706,767	-	-	3,111,750	95,997,488	(3,150)	24,043	35,758,074	1,450,682,086
II. Current Investments: Non Trade										
Shares - Quoted										
3i Infotech Limited	1,000	81,304	-	-	-	-	-	71,474	1,000	9,830
Assam Company Limited	1,000	25,796	-	-	-	-	-	19,526	1,000	6,270
BGR Green Energy Ltd	200	128,543	-	-	-	-	-	68,143	200	60,400
Bilcare Ltd	700	413,271	-	-	-	-	-	307,396	700	105,875
Century Textile	750	319,573	-	-	-	-	-	87,786	750	231,787
Rural Electrification Ltd	200	55,195	-	-	-	-	-	16,925	200	38,270
Southern Petrochemicals Ltd	1,000	27,298	-	-	1,000	32,878	5,580	-	-	-
Torrent Pharma Ltd	150	87,939	-	-	150	95,905	7,966	-	-	-
Diminution in Value of Investments	-	(1,965,308)	-	-	-	-	-	-	-	-
Sub-Total	-	(826,389)	-	-	-	128,782	13,545	571,250	-	452,432
Total	33,069,770	1,545,880,378	-	-	3,111,750	96,126,270	10,395	595,293	29,958,020	1,451,134,518

Notes forming part of Financial Statements (Contd.)

(Amount in INR)		
Particulars	As at June 30, 2012	As at June 30, 2011
Note 13 : Inventories		
Valued at lower of cost and net realizable value		
Raw materials	-	-
Finished goods	-	-
Land acquired for trading (Refer Note 24 (i)(d))	145,672,313	-
Total	145,672,313	-
Note 14 : Trade Receivables		
Trade receivables outstanding for more than 6 months from due date	-	-
Others	-	65,226,618
Total	-	65,226,618
Note 15 : Cash and Bank Balances		
Balance with banks		
in current account	275,664	742,413
in deposits	-	-
Cash in hand	135,692	112,860
Total	411,356	855,273
Note 16 : Short Term Loans and Advances (Unsecured considered good)		
Advance to supplier	231,860,000	320,000,000
Advance to subsidiary	140,984,112	-
Advance Tax paid and Tax Deducted at source	-	2,334,365
Others	53,460,530	56,283,108
Others Deposits	-	4,186,750
Total	426,304,642	382,804,223
Note 17 : Other Current Assets		
Unbilled revenue	409,097,182	-
Prepaid expenses	180,106	22,610
Service Tax credit	465,266	-
Total	409,742,554	22,610
(Amount in INR)		
Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
Note 18 : Revenue from Operations		
Development of infrastructure for power projects	543,741,256	319,061,142
Total	543,741,256	319,061,142
Note 19 : Other Income		
Interest Income	-	1,126,027
Dividend Income	12,925	36,697
Net gain / (loss) on sale of investment/ Reversal of diminution in value of non-current investment	1,669,271	3,110,740
Rent Receipt	2,281,400	3,422,100
Others	450,070	3,766,978
Total	4,413,666	11,462,542

Notes forming part of Financial Statements (Contd.)

Particulars	(Amount in INR)	
	For the year ended June 30, 2012	For the year ended June 30, 2011
Note 20 : Direct Expenses		
Project expenses for development of infrastructure for power projects	448,818,418	294,028,472
Total	<u>448,818,418</u>	<u>294,028,472</u>
Note 21 : Employee benefit expenses		
Salaries & Wages	12,114,700	11,407,700
Leave Encashment	444,910	500,599
Bonus	510,000	470,000
Gratuity	134,770	(76,835)
Leave Travel Allowance	138,500	120,000
Medical	282,781	163,050
Welfare expenses	111,985	87,516
Total	<u>13,737,646</u>	<u>12,672,030</u>
Note 22 : Selling, Administration & other expenses		
Advertisement	1,072,765	394,362
Legal expenses	2,420,695	4,422,106
Professional charges	3,409,015	-
Office Rent	1,120,364	480,000
Electricity	211,751	100,111
Rates and taxes, excluding, taxes on income.	649,326	235,036
Repairs & Maintenance Buildings	42,267	168,275
Repairs & Maintenance Vehicles	159,533	63,342
Repairs to Office Equipments	30,349	36,705
Repairs & Maintenance - Others	38,987	68,370
Insurance	28,663	10,318
Donations	27,000	3,500
Printing & Stationery	305,041	221,990
Communication expenses	491,761	324,407
Travelling & conveyance expenses	2,983,465	929,783
Listing & Depository Fees	159,793	352,840
Training Expenses	73,350	-
Sitting fees	90,000	60,000
Audit fees		
- Statutory Auditor	1,510,300	1,050,450
Brokerage	857,858	-
Provision for Diminution in Value of Investments	288,860	1,855,549
Miscellaneous Expenses	179,060	238,342
Advances written off	-	618,011
Bad debts written off	2,836,750	-
Total	<u>18,986,953</u>	<u>11,633,497</u>
Note 23 : Finance Costs		
Interest Expenses	58,587	548,876
Bank charges	2,249	4,430
Total	<u>60,836</u>	<u>553,306</u>



Notes forming part of Financial Statements (Contd.)

Note 24 : Disclosures as per Accounting Standard requirements

i. 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 (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
- The Company has entered into agreement with OGPL and its associates or subsidiaries to erect and commission wind power projects at Tadipatri. The Company executes this through Vaata Infra Private Limited. The Company has not provided for Works contract tax on the said transaction.
- 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 Company has acquired land for development from Amrit Technologies Private Limited at 14.56 crores. The Company has not registered the land in the name of the company. Liability for registration charges for land - Amount indeterminate.

ii. Sale of investment:

The Company has made an off-market sale of 31,11,750 shares of Orient Green Power Co. Limited on 30th June 2012. The transfer has been made at a price above the market value. The transfer has been registered on 7th September 2012.

iii. Capital Commitments:

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

iv. Short Term Loans (Unsecured Loans) includes Rs.21,876,120 (Previous year Rs. 21,876,120) / and other current Liabilities includes Rs.31,370,885 (Previous year Rs.3,13,70,885) representing Unclaimed amounts by some parties under the scheme of arrangement to be settled as and when claims are received.

v. Segmental Reporting:

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

vi. Impairment of Assets:

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

vii. Related Party Disclosure

List of related parties and the relationship.

Nature of relationship	Name of entity
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
Entities with Common directors	Vaata Infra Private Limited.
Key Management personnel	Mr.Vikram Mankal - Managing Director

Note:

* Consequent to the merger of M/s. Valagam Power Projects Pvt. Limited and M/s.Black Gold Chemicals Private Limited with the Company with effect from 1st July 2010, the company has ceased to be a subsidiary of M/s Shri Housing Private Limited with effect from 1st July 2010. 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.

Notes forming part of Financial Statements (Contd.)

Transactions with related parties:

Loans & advances given to / taken from related parties:

(Amount in INR)

Party	Opening Balance in Rs.	Received during the year	Paid during the year	Closing balance
Shri ram Auto Finance	Nil Pr. year (48,300,000)	215,310,000 Pr. year (518,587,400)	215,310,000 Pr. year (563,922,400)	-
Haldia Coke & Chemicals Private Limited	21,353 (Receivable) Pr. year (Nil)	7,118,894 Pr. year (18,500,000)	7,270,592 Pre year (18,500,000)	(130,345) (Payable) Pr. year (Nil)
EMAS Engineergs and Contractors Pvt. Ltd.	Nil Pr. year (34,000,000)	198,834,112 Pr. year (34,000,000)	57,850,000 Pr. year (Nil)	140,984,112 (Receivable) Pr. year (Nil)
Shri Housing Private Limited	Nil Pr year (Nil)	95,997,488	96,000,000	(2,512)

Purchases from / Sales to related parties:

(Amount in INR)

Party	Purchases
Vaata Infra Private Limited	128,818,418

viii. Earnings Per Share (EPS):

Calculation of EPS - (Basic and Diluted)

Particulars	For the year ended 30.06.2012	For the year ended 30.06.2011
Profit after Tax in Rs.	25,204,290	5,526,881
Profit after Tax for diluted EPS in Rs.	25,204,290	5,526,881
Weighted average number of shares for basic EPS	41,350,060	41,350,060
Weighted average number of shares for diluted EPS	41,350,060	41,350,060
Nominal value of shares	Rs.10	Rs.10
Basic Earnings per ordinary share in Rs.	0.61	0.13
Diluted earnings per ordinary share in Rs.	0.61	0.13

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

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

xi. Auditors' remuneration (Excluding service tax):

Particulars	For year ended 30.06.2012 (Rs.)	For year ended 30.06.2011 (Rs.)
Statutory Audit	15,10,300	10,50,450

xii. Managerial Remuneration: Rs 2,00,000 p.m. (Total Rs. 8 lacs plus perquisites) (Previous year- Nil)



Notes forming part of Financial Statements (Contd.)

(Amount in INR)

xiii. Prior Period Income & Expenditure:

S. No.	Nature	For the period ended 30 th June 2012	For the period ended 30 th June 2011
1	Prior period expenses:		
	A) Income Tax & interest relating to earlier years	10,779,683	6,239,360
	Net effect in Statement of Profit and Loss	10,779,683	6,239,360

xiv. Employee benefits: Gratuity:

The Projected Unit Credit Method has been used to estimate the actuarial liability

S. No.	Particulars	For the year ended 30 th June 2012	For the year ended 30 th June 2011
A	Net asset/ (liability) recognized in the Balance Sheet.		
	Present value of funded obligation	(393,952)	(259,182)
	Fair value of plan assets	-	-
	(Deficit) / surplus	-	-
	Present value of unfunded obligation	-	-
	Unrecognised past service cost	-	-
	Net asset / liability		
	- Assets	-	-
	- Liability	(393,952)	(259,182)
B	Expense recognized in the Profit & loss account.		
	Current service cost	150,190	(259,182)
	Interest cost	22,030	-
	Expected return on plan assets	-	-
	Actuarial (gains) / losses	(37,450)	-
	Past service cost	-	-
	Adjustments made in the Current period	-	-
	Total expense	134,770	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	259,182	-
	Adjustment to opening balance	-	-
	Current service cost	150,190	-
	Interest cost	22,030	-
	Past service cost	-	259,182
	Actuarial (gains) / losses	(37,450)	-
	Benefits paid	-	-
	Present value of defined benefit obligation as at the end of the year	-	-
	Accrued Liability as at the end of the period	393,952	259,182
	Principal actuarial assumptions :		
	Discount rate.	8.50%	8%
	Mortality	LIC (1994-96) Ultimate Mortality Tables	LIC (1994-96) Ultimate Mortality Tables
	Resignation rate per annum	0.00%	0.00%
	Salary Escalation per annum	10.00%	10.00%

Notes forming part of Financial Statements (Contd.)

- xv.** Disclosure as per Clause 32 of the Listing Agreement (Loans & Advances to Subsidiaries, Associates & Others) - Refer Note 24 (vi) above.
- xvi.** 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.
- xvii.** Expenditure in Foreign Currency on account of Foreign Travel - Rs.20,57,342 (Previous Year: 2,54,169/-)
- xviii.** Supplementary Profit and Loss information:
Information with regard to other matters specified in Part II of New Schedule VI to the act is either nil or not applicable to the company for the year.
- xix.** Previous period comparatives:
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 Reg. No : 003990S

T.V. Balasubramanian
Partner
M. No : 027251

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

Place : Chennai
Date : 11.09.2012

S. Sreenidhi
Company Secretary



Standalone Cash Flow Statement

(Amount in Rs.)

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	65,704,768	10,546,146
Profit before tax from discontinuing operations		
Profit before tax	<u>65,704,768</u>	<u>10,546,146</u>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / Amortization	846,301	1,090,233
Interest Expense	60,836	553,306
Provision for Gratuity	134,770	259,182
Profit on Sale of Investments	(1,669,271)	(3,110,740)
Dividend From Investments	(12,925)	(36,697)
Interest Income		(1,126,027)
Diminution in Value of Investment	288,859	1,855,549
Operating Profit before working capital changes	65,353,338	10,030,952
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	(25,566,850)	382,468,712
Increase/ (Decrease) in Short Term Provisions	-	(292,600)
Increase/ (Decrease) in Other Current Liabilities	370,105,111	487,997
Decrease/ (Increase) in Trade Receivables	65,226,618	(65,226,618)
Decrease/ (Increase) in Inventories	(145,672,313)	(227,530,000)
Decrease/ (Increase) in Long Term Loans & Advances	-	-
Decrease/ (Increase) in Short Term Loans & Advances	(45,834,784)	265,382,972
Decrease/ (Increase) in Other Current Assets	(409,719,944)	(22,610)
Cash Generated from/ (used in) operations	(126,108,825)	365,298,805
Direct Taxes Paid (Net of Refunds)	(9,213,551)	(4,884,705)
Net Cash Flow From/ (Used in) operating Activities	(A) (135,322,376)	360,414,100
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including intangible assets, CWIP and	(87,400)	(93,258,700)
Sale of Fixed Assets	38,887,500	1,306,000
Purchase of Investments	-	(312,190,098)
Sale of Investments	96,126,270	17,168,661
Dividend from Investments	12,925	36,697
Interest Received	-	1,126,027
Net Cash Flow From/ (Used in) Investing Activities	(B) 134,939,295	(385,811,413)

Cash Flow Statement (Contd.)

(Amount in Rs.)

Particulars	For the year ended June 30, 2012	For the year ended June 30, 2011
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(60,836)	(553,306)
Net Cash Flow From/ (Used in) Financing Activities	(C) (60,836)	(553,306)
Net Increase/ (decrease) in cash and cash equivalents	(A+B+C) (443,917)	(25,950,619)
Cash and Cash equivalents at the beginning of the year	855,273	26,805,895
Cash and Cash equivalents at the end of the year	411,356	855,273
NOTE:		
Cash and Cash equivalents as per Balance Sheet	411,356	855,273
Cash and Cash equivalents as Cash Flow Statement	411,356	855,273

For and on behalf of Board of Directors

Vikram Mankal
Managing Director & CEO

K.N. Narayanan
Director

S. Sreenidhi
Company Secretary

Place : Chennai
Date : 11.09.2012

AUDITORS' REPORT

We have examined the attached Cash Flow Statement of Premier Energy and Infrastructure Limited for the year ended 30th June 2012. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss and balance Sheet of the Company by our Report dated 11th September 2012 to the Members of the Company.

For and on behalf of

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

T.V. Balasubramanian
Partner

M. No : 027251

Place : Chennai
Date : 11.09.2012

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 Power		RCI Wind Farm 50 MW Pvt Ltd		RCI Wind Farm 30 MW Pvt Ltd	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Capital	1202.41	1202.41	1500.00	1500.00	5.00	5.00	1.00	1.00	1.00	1.00
Share Application	150.00	150.00								
Reserves	3100.81	3033.67	4591.00	5798.16	746.67	748.32	-0.21			-0.21
Total	4453.22	4386.08	6091.00	7298.16	751.67	753.32	0.79	1.00	0.79	1.00
Total Liabilities	16753.43	14198.98	32.84	27.45	35.18	34.54	0.17		0.17	
Total Assets	21206.65	18585.06	6123.84	7325.61	786.85	787.86	0.96	1.00	0.96	1.00
Investments										
Quoted	-		-		-		-		-	
Unquoted	-		2.00	2.00	-		-		-	
Turnover / Total Income	10821.87	18733.37	1.76	1.75	0.42	0.30	-		-	
Profit Before Taxation	111.64	243.18	0.58	-2.74	-0.38	0.12	-0.21		0.21	
Provision for Taxation	44.49		-		-		-		-	
Profit after taxation	67.15		-		-		-		-	
Proposed dividend	-		-		-		-		-	

Notes:

- Total Liabilities include: Secured Loans, Unsecured Loans, Current Liabilities & Provisions and Deferred Tax Liability.
- Total Assets include: Net Fixed Assets, Investments, Current Assets, Loans & Advances, Deferred Tax Assets and Miscellaneous Expenditure.
- Emas Engineers & Contractors figures are based on the Unaudited Financial Results as on 30th June 2012.
- 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 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)

Full Name of the Member attending :
(in Block Letters)

Full Name of the first joint holder :

Name of the Proxy :

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held on Wednesday the 12th December, 2012 at Bharathiya Vidhya Bhavan (Mini Hall) 18, 20, 22 East Mada Street, Mylapore, Chennai - 600 004 at 11.00 A.M.

No. of Shares held :

Registered Folio No. :

DP ID :

Client ID :

Member's / Proxy's
Signature.



PREMIER ENERGY AND INFRASTRUCTURE LIMITED

Registered Office : 3rd Floor, Egmore Benefit Society Building

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

PROXY FORM

I/We..... residing at being a Member(s) of the above named Company, hereby appoint Shri/Smt of residing at or failing him Shri/Smt..... residing at as my/our proxy to vote for me/us, on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held on Wednesday the 12th December, 2012 at Bharathiya Vidhya Bhavan (Mini Hall) 18, 20, 22 East Mada Street, Mylapore, Chennai - 600 004 at 11.00 A.M. 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

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not later 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