



# **PREMIER ENERGY AND INFRASTRUCTURE LIMITED**

**TWENTY EIGHTH ANNUAL REPORT 2019-2020**



**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

M. NARAYANAMURTHI	Managing Director
K.N. NARAYANAN	Non Executive Independent Director
J. SHARADHA	Non Executive Independent Director

**CHIEF FINANCIAL OFFICER**

A. SRIRAM

**REGISTRAR AND SHARE TRANSFER AGENTS**

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

**REGISTERED OFFICE**

Ground Floor, Tangy Apartments,  
34, Dr. P V Cherian Road,  
Off. Ethiraj Salai, Egmore,  
Chennai-600 008  
Ph. No.: 044-28270031

**AUDITORS**

A.N. Jumbunathan & Co.,  
Chartered Accountants  
New No. 29, (Old No. 13), Deivasigamani Road,  
Lakshmpuram, Royapettah,  
Chennai - 600 014

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**PREMIER ENERGY AND INFRASTRUCTURE LIMITED**

CIN No.: L45201TN1988PLC015521

Regd. Office: Ground Floor, Tangy Apartments, 34 Dr P V Cherian Road,  
Egmore, Chennai-600 008, Ph.No: 044-28270041,

Email: premierinfra@gmail.com, Website: www.premierenergy.in

**NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twenty Eighth Annual General Meeting (“AGM”) of the Members of the Company will be held at 11.00 a.m on Sunday, the 27th December, 2020 through video conferencing (VC) to transact the following business:

**ORDINARY BUSINESS:**

**Item No.1 – Adoption of Financial Statements.**

To consider and if deemed fit, to pass the following as an **Ordinary Resolution:**

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2020 and the Reports of the Board of Directors and the Independent Auditors thereon be and are hereby considered, approved and adopted.”

“**RESOLVED THAT** the Audited Consolidated Financial Statements for the year ended 31st March, 2020 and the Independent Auditors Report thereon be and are hereby considered, approved and adopted.”

**Item No.2 – Appointment of M/s A M Jambunathan & Co, Chartered Accountants (FRN: 001250S), as Statutory Auditors of the Company.**

To consider and if deemed fit, to pass with or without modification the following as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to the provisions of Section 139 (1), 142 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s A M Jambunathan & Co, Chartered Accountants (FRN: 001250S), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting on a remuneration of Rs 7,00,000/- (Rupees Seven Lacs only) plus the applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them and the Board may decide the remuneration payable to the Statutory auditors for the subsequent years based on the recommendation of the Audit committee.”

**Special Business:**

**Item.No.3 – Appointment Of Mr. M Narayanamurthi (DIN:00332455) as the Managing Director of the Company.**

To consider and, if deemed fit, to pass the following resolution as a **Special Resolution:-**

“**RESOLVED THAT** pursuant to Sections 196,197,203 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule V to the Act and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“Regulations”), subject to such consents, permissions, approvals, if any required, from any appropriate authority, consent of the members of the Company be and is hereby accorded to the appointment of Mr. M Narayanamurthi (DIN:00332455) as the Managing Director of the Company who is not liable to retire by rotation for a period of 3 years with effect from 13th November, 2020 to 12th November, 2023 at a remuneration including perquisites and upon and subject to the terms and conditions contained in the agreement between the Company and Mr. M Narayanamurthi (DIN:00332455) placed before the meeting and as detailed in the Explanatory Statement attached to the Notice.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the appointment including as to remuneration to Mr. M Narayanamurthi (DIN:00332455) from time to time to the extent the board of directors may consider necessary in accordance with the applicable provisions of the Act, Rules, Regulations and schedules thereunder for the time being in force, provided however that the remuneration after such alteration or variation does not exceed the limit specified under Section 197 of the Act read with Schedule V to the Act.”

**“RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded to the payment of the said remuneration to Mr. M Narayanamurthi (DIN:00332455) as minimum remuneration, even in the event of loss or inadequacy of profits of the company though the remuneration as such not exceeding the limits prescribed under Section II Part II of Schedule V to the Act and that the Board of Directors be and is hereby further authorised to do all such act(s), deed(s), matter(s) and thing(s), necessary or desirable in connection with or incidental or ancillary thereto for the purpose of giving effect to the aforesaid resolution including but not limited to seeking consent of the appropriate authority, as may be required.”

Terms and Conditions of the appointment as be

**REMUNERATION:**

Component of Remuneration	Amount Per Month (Rs.)
Salary	Upto 2,00,000

Apart from the above, he is also entitled for:

1. Free use of mobile phone and telephone at residence.
2. Provision of Car with driver.

**Item.No.4 – Appointment of Mr. K N Narayanan (DIN: 01543391) as an Independent Director of the Company for a second term of five consecutive years.**

To consider and, if deemed fit, to pass the following resolution as a **Special Resolution:-**

**“RESOLVED** that pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV, as amended from time to time (“Act”) and pursuant to Regulation 17 and other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Regulations”), Mr. K N Narayanan (DIN: 01543391), who is eligible for re-appointment as an independent director and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of Director and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Regulations, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 30<sup>th</sup> September, 2019.”

**Item.No.5 – Disinvestment in wholly owned subsidiary of the company - RCI POWER LIMITED**

To consider and, if deemed fit, to pass the following resolution as a **Special Resolution:-**

**“RESOLVED THAT** pursuant to Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the approval of Audit Committee and the Board of Directors and subject to the Memorandum and Articles of Association of the Company and necessary approvals, consents, permission and sanctions required, if any, from appropriate authorities and subject to such terms, conditions, modifications as may be prescribed by any such appropriate authorities, the consent of the members of the Company be and is hereby accorded for the divestment of the entire equity shareholding comprising of 1,50,00,000 equity shares of Rs. 10/= each by way of sale, transfer, disposal, either in whole or part, by Company’s wholly owned subsidiaries of their respective interests/stake in RCI POWER LIMITED to any third party investor on mutually agreeable terms and conditions as may be agreed by the Boards of Directors of the Subsidiaries, in their absolute discretion, post such divestment may result in the Company ceasing to exercise its indirect sole control over in RCI POWER LIMITED”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee of directors constituted by the Board) be and is hereby authorised to do all such acts, deeds, matters and things, including without limitation negotiation and execution of any document that may be required to give effect to the above authorisation, as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company.”



**Item.No.6 – Disinvestment in wholly owned subsidiary of the company - RCI POWER (AP) LIMITED**

To consider and, if deemed fit, to pass the following resolution as a **Special Resolution:-**

**“RESOLVED THAT** pursuant to Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013, the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the approval of Audit Committee and the Board of Directors and subject to the Memorandum and Articles of Association of the Company and necessary approvals, consents, permission and sanctions required, if any, from appropriate authorities and subject to such terms, conditions, modifications as may be prescribed by any such appropriate authorities, the consent of the members of the Company be and is hereby accorded for the divestment of the entire equity shareholding comprising of 50,000 equity shares of Rs. 10/= each by way of sale, transfer, disposal, either in whole or part, by Company’s wholly owned subsidiaries of their respective interests/stake in RCI POWER (AP) LIMITED to any third party investor on mutually agreeable terms and conditions as may be agreed by the Boards of Directors of the Subsidiaries, in their absolute discretion, post such divestment may result in the Company ceasing to exercise its indirect sole control over in RCI POWER (AP) LIMITED”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee of directors constituted by the Board) be and is hereby authorised to do all such acts, deeds, matters and things, including without limitation negotiation and execution of any document that may be required to give effect to the above authorisation, as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company.”

On Behalf of the Board

**M Narayanamurthi**  
(DIN:00332455)  
Managing Director

Place: Chennai  
Date : 12.11.2020

**Notes**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 3, 4 and 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at this Annual General Meeting (“AGM”) are also annexed.
2. General instructions for accessing and participating in the 28th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:
  - a. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020 and 33/2020 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and other applicable circulars issued by the Registrar of Companies (“ROC”), Ministry of Corporate Affairs (“MCA”), Government of India and SEBI, to transact the businesses set forth in the notice of the meeting, the 28th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
  - b. Since the AGM is being held over video conferencing where physical attendance of members in any case has been dispensed with, a member entitled to attend and vote at the meeting will not be eligible to appoint proxies to attend the meeting instead of him/her. Accordingly, the proxy form and attendance slip is not attached to this notice.
  - c. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- d. Members may join the 28th AGM through VC/ OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 9:45 a.m. IST i.e. 15 minutes before the time scheduled to start the 28th AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 28th AGM.
  - e. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large Shareholders (i.e. Shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, auditors etc., can attend the 28th AGM without any restriction on account of first come first served basis principle, in accordance with the circulars issued by MCA in this regard.
  - f. The Member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  - g. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.premiereenergy.in](http://www.premiereenergy.in) and on the stock exchange at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  - h. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorising them to attend and vote on their behalf at the AGM. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com) with a copy marked to [premierinfra@gmail.com](mailto:premierinfra@gmail.com)
  4. The register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can send an email for this purpose to [premierinfra@gmail.com](mailto:premierinfra@gmail.com)
  5. The Register of Members and Share Transfer Books of the Company shall remain closed from Sunday, 20th December, 2020 to Sunday, 27th December, 2020 (both days inclusive) for the purpose of the Annual General Meeting.
  6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to write to the Company's RTA.
  7. The Securities and Exchange Board of India ("SEBI") has made Permanent Account Number ("PAN") as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction, and has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company / RTA.
  8. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 28th AGM and the Annual Report for the year 2020 including therein the Audited Financial Statements for year 2020, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 28th AGM and the Annual Report for the year 2020 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
    - a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address [premierinfra@gmail.com](mailto:premierinfra@gmail.com)
    - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
  13. Voting through electronic means in compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing



Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote at the 28th AGM by electronic means and the business mentioned in the Notice may be transacted through remote e-voting. The facility of casting the votes by the Members using an electronic voting system (remote e-voting and e-voting during the AGM) will be provided by CDSL

- a. The facility for e-voting shall be made available during the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through e-voting facility.
- b. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their e-vote again during the meeting.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The remote e-voting facility will be available during the following period:  
Commencement of remote e-voting : From 9.00 a.m. (IST) on Thursday, 24<sup>th</sup> December, 2020  
End of remote e-voting : Up to 5.00 p.m. (IST) on Saturday, 26<sup>th</sup> December, 2020.  
  
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon the expiry of the aforesaid period.
- (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of "Premier Energy and Infrastructure Limited"
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHO'S EMAIL ADDRESSES IS NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- A. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 28th AGM or to cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of:
  - i) a signed request letter mentioning your name, folio number and complete address; and
  - ii) Scanned copy of the share certificate (front and back),
  - (iii) self-attested scanned copy of the PAN Card and any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email addresses of the Company i.e.premierinfra@gmail.com and email address of RTA i.e. investor@cameoindia.com.
- B. In case of shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of
  - (i) a signed request letter mentioning your name, DP ID-Client ID (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID);
  - (ii) Self-attested scanned copy of client master or Consolidated Demat Account statement; and
  - (iii) self-attested scanned copy of the PAN Card & Aadhar Card, to the email addresses of the Company i.e. **premierinfra@gmail.com** and email address of RTA i.e. **investor@cameoindia.com**.
- C. the Company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.





### INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- a) Members will be provided with a facility to attend the 28th AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request at least 48 hours in advance prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [premierinfra@gmail.com](mailto:premierinfra@gmail.com) The shareholders who do not wish to speak during the AGM but have queries may send their queries 48 hours in advance prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [premierinfra@gmail.com](mailto:premierinfra@gmail.com) These queries will be replied to by the company suitably by email. Those members who have registered themselves as a speaker shall be allowed to ask questions during the 28th AGM, depending upon the availability of time.
- f) Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

### INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- II. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- III. If any votes are cast by the members through the e-voting available during the AGM and, if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- IV. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- V. Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on The list of accounts linked in the login should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- VI. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call helpline number 1800225533 or 022 2305 8542 or 022 2305 8542 or 022 2305 8738.
- VII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlat Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call helpline number 1800225533 or 022 2305 8542 or 022 2305 8542 or 022 2305 8738 or Mr. Karthik, Manager, (CDSL,) Central Depository Services (India) Limited, Chennai on Mobile No.9445944564, Email id [karthikb@cdslindia.com](mailto:karthikb@cdslindia.com)

**OTHER GUIDELINES FOR MEMBERS:**

14. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
15. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date, i.e., Sunday , 20<sup>th</sup> december , 2020.
16. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.
17. Any person, who acquires shares of the Company and becomes the member of the Company after the Company sends the Notice of the AGM and would be holding shares of the Company as on the cutoff date i.e. Sunday, 20<sup>th</sup> December, 2020, may obtain the User ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [investor@cameoindia.com](mailto:investor@cameoindia.com). Alternatively, the shareholder can create their user name and password by entering the valid credentials, as mentioned in point no (viii) mentioned above in the remote e-voting instructions.
18. Mr. R Sridharan, Practicing Company Secretary (Membership No. FCS 4775) of M/s. R Sridharan & Associates, Company Secretaries, Chennai, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
19. During the 28<sup>th</sup> AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 28<sup>th</sup> AGM, formally propose to the Members participating through VC/ OAVM Facility to vote on the resolutions as set out in the Notice of the 28<sup>th</sup> AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the 28<sup>th</sup> AGM.
20. The Scrutinizer shall after the conclusion of e-Voting at the 28<sup>th</sup> AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 28<sup>th</sup> AGM, who shall then countersign and declare the result of the voting forthwith.
21. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, [www.premierenergy.in](http://www.premierenergy.in) and on the website of CDSL immediately after the results are declared and communicated to the Stock Exchanges, where the shares of the Company is listed, viz. BSE Limited
22. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM, i.e., Sunday, 27<sup>th</sup> December, 2020.

On Behalf of the Board

**M Narayanamurthi**  
(DIN:00332455)  
Managing Director

Place: Chennai  
Date : 12.11.2020



**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item no.3**

The Board of Directors, (based on the recommendation of Nomination and Remuneration Committee) had re-appointed Mr.M.Narayanamurthi (DIN:00332455) as an Managing Director of the Company with effect from 13<sup>th</sup> November 2020.

**Brief Profile of the Director**

Mr.M Narayanamurthi aged 73 years is a Chartered Accountant, Cost Accountant and Company Secretary by qualification. He has taken over as Managing Director of Premier Energy and Infrastructure Limited on 13<sup>th</sup> November 2017. He has an experience of more than 40 years in Finance, General Management and Property Development areas. Formerly he was the Chief Executive of Krest Development and Leasing Ltd which was involved in Leasing, Hire Purchase and Property Development activities. While he was the Chief Executive of Krest, he was responsible for finalising and implementing a fairly large housing and commercial projects at Bangalore and Chennai.

The Board of Directors have also appointed Mr.M Narayanamurthi (DIN:00332455) as the Managing Director of the company who is not liable to retire by rotation for a period of three years with effect from 13<sup>th</sup> November, 2020 to 12<sup>th</sup> November, 2023 at the remuneration including perquisites and upon and subject to the terms and conditions contained in the agreement between the company and Mr.M Narayanamurthi (DIN:00332455) placed before the meeting and as given below:

**TERMS OF APPOINTMENT:**

Mr. M Narayanamurthi would hold office of Managing Director for a period of 3 years w.e.f 13<sup>th</sup> November, 2020.

**REMUNERATION:**

Component of Remuneration	Amount per month (Rs.)
Salary	Up to 2,00,000

Apart from the above, he is also entitled for:

1. Free use of mobile phone and telephone at residence.
2. Provision of Car with driver.

The resolutions under Item Nos.3 seek the approval of members for the appointment of Mr.M Narayanamurthi as Managing Director of the Company for a period up to 12<sup>th</sup> November, 2023 pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made there under.

**Memorandum of Interest**

No Director, Key Managerial Personnel or their relatives, except Mr. M Narayanamurthi, to whom the resolution relates, are interested or concerned in the resolution.

**Item no.4**

In terms of the provisions of Section 149 of the Act, Mr. K N Narayanan is eligible for re-appointment for her second term. Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulations, approval of the members by way of special resolution is required for the reappointment of Mr. K N Narayanan for a second term of five consecutive years from 30<sup>th</sup> September, 2019. The Company has received a notice from a member proposing the candidature of Mr. K N Narayanan for appointment as an Independent Director of the Company for a second term of five consecutive years. Mr. K N Narayanan, had given his consent and also declaration that he meets with the criteria of independence as provided in Section 149(6) of the Act and Regulations.

The Board of Directors reviewed the said declarations and in the opinion of the Board, Mr. K N Narayanan fulfils the conditions specified in the Act, the rules made thereunder, Regulations for his appointment as an Independent Director. The Board, after taking into consideration the valuable contributions made by Mr. K N Narayanan and based on his performance evaluation, unanimously recommends the special resolution as set out at item no. 4 of this notice.

**Memorandum of Interest**

No Director, Key Managerial Personnel or their relatives, except Mr. K N Narayanan, to whom the resolution relates, are interested or concerned in the resolution.

**Item no. 5**

The company proposes to disinvest its entire investment of 1,50,00,000 equity shares of Face Value of Rs. 10/- each in RCI POWER LIMITED., which is a wholly owned subsidiary Company of the company, The Board keeping in view the hardship incurred, it feels that's its prudent to withdraw investment from the wholly owned Subsidiary and considers the proposed disinvestment in the best interest of the Company. Such disinvestment will amount to sale of substantial interest in undertaking by the Company, your Directors propose resolution under section 180(1)(a) of the Companies Act, 2013 for the approval of the shareholders.

Members of the Company are further requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of the company shall exercise the power to sell, lease or otherwise dispose off the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution.

The resolutions under Item Nos.5 seek the approval of members for disinvestment in the wholly owned subsidiary.

**Memorandum of Interest**

No Director, Key Managerial Personnel or their relatives are interested or concerned in this resolution.

**Information as required under SEBI (LODR) Regulations, 2015**

Name	Mr. M Narayanamurthi	Mr. K N Narayanan
Age	73 years	62 years
Date of Appointment	12.11.2020	10/09/1957
Qualifications	Chartered Accountant, Cost Accountant and Company Secretary	Chartered Accountant, and Company Secretary
Expertise in functional areas	He has an experience of more than 50 years in Finance, General Management and Property Development areas	He has an experience of more than 30 years in Finance, General Management
Directorships held in other public companies (Excluding foreign companies)	2	1
Membership/Chairmanship/Committees of other public companies (includes only Audit Committee and Stake holders Relationship Committee)	2	Nil
Shareholding in the company (No of shares)	NIL	Nil
Inter se relationship with any director	NIL	Nil



## BOARD'S REPORT

Dear Shareholder,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Gross Income	0.83	202.19	0.37	0.16
Profit / (Loss) before interest & depreciation	(556.56)	(346.74)	(525.83)	(528.60)
Finance charges	247.95	216.27	247.80	215.72
Provision for depreciation	0.19	1.22	0.19	1.22
Net Profit / (Loss) before tax	(804.70)	(564.23)	(773.82)	(745.54)
Extra Ordinary items	(335.87)	-	(335.87)	-
Other Comprehensive income	5.57	15.86	5.57	15.86
Provision for tax	-	(23.68)	-	(58.36)
Net Profit / (Loss) after tax	(473.40)	(556.41)	(443.52)	(703.04)
Surplus carried to Balance Sheet	(473.40)	(556.41)	(443.52)	(703.04)

### OPERATIONS AND PERFORMANCE:

Standalone Turnover for the year is Rs. 0.37 as compared to a loss of Rs.0.16 Lakhs in the previous year, while the Consolidated Sales for the year under review stands at Rs.0.82 lacs against Rs. 202.19 lacs in the previous year. Standalone Loss for the current year was Rs. 443.52 lacs as compared to Loss of Rs.703.04 lacs in the previous year, while the Consolidated Loss for the current year was Rs. 473.40 lacs as compared to Loss of Rs. 556.41 lacs in the previous year.

### COVID 19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, and investment in associates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements

may differ from that estimated as at the date of approval of these financial statements.

### BUSINESS HIGHLIGHTS

During the year the company was unable to do any business due to liquidity pressure.

### DIVIDEND

As the Company has incurred a loss, no dividend is recommended for the financial year 2019-20. Consequent to the same, the Company has not transferred any amount to general reserve.

### SHARE CAPITAL

The paid up Equity share capital of the Company as on 31<sup>st</sup> March, 2020 was Rs. 413,500,600/-. During the year under review, the Company has not issued shares with differential voting rights or granted stock options or sweat equity shares.

### DETAILS OF DEPOSITS

The Company has not accepted any Deposits covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not extended any loans, guarantees nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013 during the year.

**DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The company has adequate internal control systems commensurate within its size and nature of business. The Management has overall responsibility for the Company's internal control system to safeguard the assets, usage of resources, compliance with applicable laws & regulations and to ensure reliability of financial records. The Company has also in place, adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses or inefficacy or inadequacy in the design or operation were observed.

**SUBSIDIARY COMPANIES**

As at 31<sup>st</sup> March, 2020, your Company had a total of 3 subsidiaries and 2 step down subsidiaries. The details were given below:

**SUBSIDIARY / STEP DOWN SUBSIDIARY COMPANIES**

i) **EMAS ENGINEERS AND CONTRACTORS PRIVATE LIMITED:-** EMAS was engaged in the business of Civil and Electro Mechanical contracting. During the year, the company received a provisional order of winding up by the Hon'ble Madras High Court dated 20<sup>th</sup> December, 2016. Hence this company's accounts are not consolidated this year.

ii) **RCI POWER LIMITED & RCI POWER (AP) LIMITED**

These are the Companies that hold land on which Wind Farm is being developed. Further, RCI Power Limited has two subsidiaries. The Companies have given the land held by them on a lease for 25 years. The company proposes to disinvest in equity shares of RCI Power Limited necessary resolution for approval of shareholders is included in the notice of Annual General Meeting.

Rs. in lacs

Particulars	RCI Wind Farm Ltd	RCI Wind Farm (AP) Ltd
	2019-20	2019-20
Sales & Other Income	Nil	0.45
Equity Capital	150.00	5.00
Reserves & Surplus	5152.76	855.96
Earnings per share	(0.20)	(1.14)

Step down Subsidiaries

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

Particulars	RCI Wind Farm (30MW) Pvt Ltd	RCI Wind Farm (50MW) Pvt Ltd
	2019-20	2019-20
Sales & Other Income	-	-
Equity Capital	1.00	1.00
Reserves & Surplus	(4.10)	(4.10)
Earnings per share	(5.32)	(5.07)

**RISK MANAGEMENT**

Your Company has a robust Risk Management policy. The Company through a steering committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

**DIRECTORS**

Mr. M Narayanamurthi (DIN:00332455) was appointed as Managing Director for a period of 3 years with effect from 13<sup>th</sup> November, 2020 till 12<sup>th</sup> November, 2023. Based on the recommendation of the Nomination and Remuneration Committee, the Company proposes to re-appoint Mr. M Narayanamurthi for a period of 3 years as Managing Director of the Company from 13<sup>th</sup> November, 2020. The necessary resolutions for re-appointment of said Director of the Company is included in the Notice sent along with the Annual Report.

Mr. KN Narayanan was reappointed as Independent Director at the Board Meeting held on 30<sup>th</sup> September 2019, necessary resolution seeking his appointment is included in the Notice sent along with the Annual Report.

**EVALUATION OF BOARD'S PERFORMANCE**

As per the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions



with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, current business plan and strategies. The details of familiarization programmes are disclosed on the website of the Company [www.premierenergy.in](http://www.premierenergy.in)

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149 (6) of the Act, under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and stating that they have registered themselves in the data bank maintained by the Indian Institute of Corporate Affairs and under Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, the Board on the recommendations of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and other employees and their remuneration. The details of the Remuneration Policy are stated in the Corporate Governance Report.

## NUMBER OF MEETINGS OF THE BOARD

The Board had met Five (5) times during the financial year ended 31<sup>st</sup> March, 2020 on 30<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 30<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019, 14<sup>th</sup> February, 2020. The Audit Committee had met four (4) times on 30<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The details of the said meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- b. that the directors had selected such accounting policies as mentioned in Note No: 1 of the Financial Statements and applied them consistently and judgement 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 31<sup>st</sup> March, 2020 and of the loss of the Company for the year ended on that date;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis;
- e. that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company other than reimbursement of expenses incurred, if any, for attending the Board meeting. The Related Party Transactions are placed before the Audit Committee for review and approval as per the terms of the Policy for dealing with Related Parties. The statement containing the nature and value of the transactions entered into during the quarter is presented at every Audit Committee by the CFO for the review and approval of the Committee. Further, transactions proposed in subsequent quarter are also presented. Besides, the Related Party Transactions are also reviewed by the Board on an annual basis. The details of the Related Party Transactions are also provided in the accompanying financial statements. There are no contracts or arrangements entered into with Related Parties during the year ended 31<sup>st</sup> March, 2020 to be reported under section 188(1). The policy on dealing with Related Parties as approved by the Board is uploaded and is available on the Company's website at the following link. <http://www.Premierenergy.in>



**EXPLANATIONS OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMER MADE BY THE STATUTORY AUDITORS AND THE PRACTISING COMPANY SECRETARY IN THEIR REPORT**

The explanations/comments made by the Board relating to qualification, reservations or adverse remarks made by the Statutory Auditors and the Practising Company Secretary in their respective reports are furnished below:

**a) QUALIFICATIONS OF STATUTORY AUDITORS**

Regarding the qualification with reference to Note 1 B to the consolidated Financial Statement: Since the subsidiary company, Emas Engineers and Contractors Pvt Limited has been provisionally ordered to be wound up by the Hon'ble Madras High Court dated 20th December, 2016 the company has not consolidated the accounts of Emas Engineers and Contractors.

Regarding the qualification with reference to note on interest liability on unpaid direct dues: No interest has been provided on the delay in payment of direct tax dues as the Management is of the view that provision for taxation made will be adequate to cover this because of certain deductions claimed in the memo of income for the earlier years. Also the company has preferred an Appeal with the Commissioner of Income Tax Appeals against demands of Income Tax. With regards to Service Tax, the company has opted for the Sabka Vishwas Scheme under the Service Tad Laws. As regards to Regulation 24(1) of SEBI Regulations, 2015, the company company's shares have been delisted from Trading in Bombay Stock Exchange for non payment of penalty. On payment of payment the company's shares will be relisted and the company will be able to comply with filings.

Regarding the qualifications with reference to Note 7, 11 and 18 in the consolidated financial statements regarding confirmation of balances has not been received from parties in respect of certain outstanding. In the opinion of the management, the amounts stated in the Balance sheet are fully receivable / payable.

Regarding the qualification with reference to Note 35 in the standalone and consolidated financial statements: The company has plans to sell its prime asset and thereby expects to settle all material dues. Further it is working toward certain strategic alliances which are expected to produce improved business results. Considering these, the management has prepared the financial statements by applying the "Going Concern" assumption The company has plans to expand its business and involve in new activities, it is the right thing to apply going concern concept.

**b) QUALIFICATIONS OF SECRETARIAL AUDITORS**

In view of the market conditions in the industry, poor performance of the company and also in the absence of Company Secretary and Compliance Officer, the Company was not able to comply with some of the statutory filings which were qualified by the Secretarial Auditor.

However, the Company will comply with the required statutory formalities from the Financial Year 2020-2021.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

**COMPOSITION OF AUDIT COMMITTEE**

Pursuant to Section 177 of the Companies Act, 2013, the Board has constituted a Nomination and Remuneration Committee consisting of the following members:

Name of the Member	Designation
K N Narayanan	Chairman
M Narayanamurthi	Member
J. Sharadha	Member

The Board has accepted the recommendations of the Audit Committee and there were no incidences of deviation from such recommendations during the financial year under review.

**VIGIL MECHANISM**

The Company has devised a vigil mechanism in pursuance of provisions of Section 177(10) of the Companies Act, 2013 for Directors and employees to report genuine concerns or grievances to the Audit Committee in this regard and details whereof are available on the Company's website.

**NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to Section 178 of the Companies Act, 2013, the Board has constituted a Nomination and Remuneration Committee consisting of the following members and the committee met 2 times during the year Viz, 30<sup>th</sup> May 2019 and 30<sup>th</sup> September, 2019:

Name of the Member	Designation
K N Narayanan	Chairman
M Narayanamurthi	Member
J. Sharadha	Member





The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has laid out and is following the policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section 3 of Section 178 of the Companies Act, 2013. Policy on Criteria for Board Nomination and Remuneration is available in the website of the Company under the link <http://www.premierenergy.in/policies.htm>

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Pursuant to Section 178 of the Companies Act, 2013, the Company has constituted a Stakeholders Relationship Committee with Mr. K N Narayanan (DIN: 01543391), Director as the Chairman. The committee consists of two Independent Directors and one Non - Independent Director and 1 meeting was held on 14<sup>th</sup> February, 2020.

Name of the Member	Chairman/ Member	No. of Meetings attended
Mr. K N Narayanan	Chairman	1
Mr. M Narayanamurthi	Member	1
Ms J Sharadha	Member	1

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In view of the losses incurred by the Company in two of the three previous financial years and average of three years net profit being negative, the requirement on spending or conducting meetings under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company. The Committee was therefore dispensed with at the board meeting held on 14<sup>th</sup> February 2020.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

The company has not received any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**AUDITORS**

M/s. S.H. Bhandari & Co, Chartered Accountants, Chennai bearing Firm Registration No. 000438S was appointed as Statutory Auditors of the Company to hold office from the conclusion of 27<sup>th</sup> Annual General Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting.

However, M/s S.H. Bhandari & Co, Chartered Accountants, Chennai (Firm Registration No. 000438S) had expressed their unwillingness to continue as Statutory Auditors of the

Company for commercial considerations as they are not able to recover reasonable portion of their time cost and have tendered their resignation vide their resignation letter dated 1<sup>ST</sup> November, 2019, resulting into a casual vacancy in the office of Statutory Auditors of the company.

Further, the Company has appointed M/s. A M Jambunathan & Co, Chartered Accountants (FRN: 001250S) as the Statutory Auditors of the Company shall hold office up to the conclusion of the ensuing Annual General Meeting of the Company through Postal Ballot. The necessary resolution for the appointment of M/s. A M Jambunathan & Co, Chartered Accountants (FRN: 001250S), as statutory auditors of the company is included in the notice of Annual General Meeting.

M/s. A M Jambunathan & Co, Chartered Accountants (FRN: 001250S), have conveyed their consent for the appointment as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. As required under Regulation 33(1) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer review board of the institute of Chartered Accountants of India.

**SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s Srinidhi Sridharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, highlighting the business details, is attached and forms part of this report.

**CORPORATE GOVERNANCE**

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with a Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub- Regulation 34(3) of the Listing Regulations is attached to this report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-2020:

No. of complaints received – Nil

No. of complaints disposed off - Not Applicable

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has no activities, relating to conservation of energy or technology absorption and foreign exchange earnings and outgo during the year under review.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in the prescribed form MGT 9 as per Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to and forms part of this Report.

**PARTICULARS OF EMPLOYEES**

The ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies

(Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this report.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company prepared in accordance with Section 129(3) of the Companies Act, 2013 and relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report. Further, a statement containing the salient features of the financial statement of the subsidiary in the prescribed format AOC-1 is appended to the Directors Report. The statement also provides the details of performance and financial position of the subsidiary.

**LISTING OF SECURITIES IN STOCK EXCHANGES**

The Company's shares are presently listed on BSE Ltd. BSE has delisted the trading of company's shares for non payment of penalty. The company is in the process of paying the penalty and restore the listing.

**APPRECIATION & ACKNOWLEDGEMENTS**

The Directors wish to thank the bankers for their continued assistance and support. The Directors also wish to thank the Shareholders of the company for their continued support even during this testing period. Further, the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wishes to place on record their appreciation to all employees at all levels for their commitment and their contribution.

For and on behalf of the Board

**M. Narayanamurthi**  
DIN:00332455  
Managing Director

Place : Chennai  
Date : 12.11.2020



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### COMPANY OVERVIEW

Premier Energy and Infrastructure Limited (PEIL) is focused on the construction, housing development and energy sector and has executed several projects in the states of Tamil Nadu, Karnataka and Andhra Pradesh. PEIL undertook estate development projects with business focus on residential and commercial developments.

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

### INDUSTRY OVERVIEW

The Global environment continued to remain challenging by weak trade and minimal investments. The economy is expected to gradually improve through a re-balancing amidst supportive government policies and fiscal stimulus.

### 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.
- The impact of Pandemic COVID is a concern to be watched.

#### 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 AND THEIR ADEQUACY

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.

#### 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.

#### FINANCIAL PERFORMANCES WITH RESPECT TO OPERATIONS

**Income from Operations:** Consolidated revenues for the year ended 31st March 2020 were Rs. 0.83 lakhs as against Rs. 202.04 lakhs in the previous year.

Rs. In lakhs

Consolidated	2019-2020	2018-2019
Revenue	0.83	202.19
Employee benefit Expenses	3.47	85.02
Other Expenses	553.92	463.91
Finance Cost	247.95	216.27
Depreciation	0.19	1.22
Extraordinary items	(335.87)	-
Other Comprehensive Income	5.57	-
Tax	-	(23.68)
<b>Net Profit for the year</b>	<b>(474.40)</b>	<b>(540.55)</b>

**NETWORTH:** The Consolidated Net worth of the company as on 31<sup>st</sup> March 2020 is Rs. 3948.21 Lakhs as against 4422.61 lakhs in the previous year.

#### 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.

The company is planning to employ senior professionals to add to the human capital which is the main contributor for the growth of business.

#### KEY FINANCIAL RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018, the company is required to give details of significant changes (Change of 25% or more as compared to the immediate previous financial year) in key-sector specific financial ratios

The company has identified the following ratios as Key Financial Ratios:

RATIOS	2019-20	2018-19
Debtors turnover (Avg days)	0.13	17.19
Current ratio (times)	0.21	0.38
Debt Equity ratio	1.41	1.33
Operating profit margin %	(97536.34)	(279.03)
Net profit margin %	(57500.79)	(275.20)

The detail of return on net worth is given below:

	2019-20	2018-19
Return on net worth		
Return on networth %	(12.02)	(12.58)



**ANNEXURE  
Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**For the financial year ended 31<sup>st</sup> March, 2020**

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>Corporate Identification Number (CIN)</b>	L45201TN1988PLC015521
<b>Registration Date</b>	25 <sup>th</sup> March, 1988
<b>Name of the Company</b>	PREMIER ENERGY AND INFRASTRUCTURE LIMITED
<b>Category / Sub-Category of the Company</b>	Company Limited by Shares/Indian Non-Government Company
<b>Address of the Registered office and contact details</b>	Ground Floor, Tangy Apartments, 34, Dr. P V Cherian Road, Off. Ethiraj Salai, Chennai – 600008 Email : premierinfra@gmail.com Website : www.premiereenergy.in Phone: 044-28270031
<b>Listed company (Yes / No)</b>	Yes
<b>Name, address and contact details of Registrar and transfer agent, if any</b>	M/s. Cameo Corporation Services Limited “Subramaniam Building” No.1 Club House Road Anna Salai, Chennai-600002 Tel.:044-2846 0390 (5 Lines) Fax: 044-28460129 Email: investor@cameoindia.com Website: www.cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sl. No.	Name and description of main products / services	NIC Code of the product/ Service*	% to total turnover of the company
1	EPC	4220	100%

\*As per National Industrial Classification, Ministry of Statistics and Programme Implementation.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	M/s. Emas Engineers & Contractors Private Limited Karunai Kudil, 3rd Floor, No. 226, Cathedral Road, Chennai - 600 086	U45201TN1995PTC032770	SUBSIDIARY	50.10%	2(87)
2.	M/s. RCI Power Limited Karunai Kudil, 1st Floor, 226, Cathedral Road, Chennai - 600 086	U40101TN2000PLC045040	SUBSIDIARY	100%	2(87)
3.	M/s. RCI power (AP) Limited Ground Floor A, Water Works Road, R K Paradise, Tadapatra, Andhra Pradesh - 515 411	U40105AP2007PLC056402	SUBSIDIARY	100%	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)****(i) Category-wise Share Holding**

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
<b>(A)</b>	<b>PROMOTERS AND PROMOTER GROUP</b>									
(1)	<b>INDIAN</b>									
(a)	Individuals / HUF*	13462715	-	13462715	32.56	13462715	-	13462715	32.56	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	11100000	-	11100000	26.84	11100000	-	11100000	26.84	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other :	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1):</b>	<b>24562715</b>	<b>-</b>	<b>24562715</b>	<b>59.40</b>	<b>24562715</b>	<b>-</b>	<b>24562715</b>	<b>59.40</b>	<b>-</b>
(2)	<b>FOREIGN</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other:	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group A = A(1)+A(2)</b>	<b>24562715</b>	<b>-</b>	<b>24562715</b>	<b>59.40</b>	<b>24562715</b>	<b>-</b>	<b>24562715</b>	<b>59.40</b>	<b>-</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	<b>INSTITUTIONS</b>									
(a)	Mutual Funds / UTI	-	55900	55900	0.14	-	55900	55900	0.14	-
(b)	Banks / Financial Institutions	-	400	400	0.00	-	400	400	0.00	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	200	200	0.00	-	200	200	0.00	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other:	-	-	-	-	-	-	-	-	-
	- Multilateral Financial Institution	-	-	-	-	-	-	-	-	-
	- Foreign Corporate Bodies	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(1):</b>	<b>-</b>	<b>56500</b>	<b>56500</b>	<b>0.14</b>	<b>-</b>	<b>56500</b>	<b>56500</b>	<b>0.14</b>	<b>-</b>
(2)	<b>NON-INSTITUTIONS</b>									
(a)	Bodies Corporate	4109134	1558100	5667234	13.71	4098167	1558100	5656267	13.68	-0.03
	(i) Indian	-	-	-	-	-	-	-	-	-
	(ii) Overseas	-	-	-	-	-	-	-	-	-



S. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01-APR-2019)				No. of Shares held at the end of the year (31-MAR-2020)				% Change during the year
		Demat	Physical	Total No. of Shares	% to Total No. of Shares	Demat	Physical	Total No. of Shares	% to Total No. of Shares	
(b)	Individuals	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1062422	2051727	3114149	7.53	1065614	2048502	3114116	7.53	0.00
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	6667064	793514	7460578	18.04	6678064	793514	7471578	18.07	0.03
(c)	Any Other:	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	102981	200	103181	0.25	102981	200	103181	0.25	0.00
	Directors and their relatives	-	-	-	0.00	-	-	-	0.00	-
	Hindu Undivided Families	385703	-	385703	0.94	385703	-	385703	0.94	0.00
	<b>Sub-Total B(2):</b>	<b>12327304</b>	<b>4403541</b>	<b>16730845</b>	<b>40.46</b>	<b>12330529</b>	<b>4400316</b>	<b>16730845</b>	<b>40.46</b>	<b>0.00</b>
	<b>Total Public shareholding=B(1)+B(2):</b>	<b>12327304</b>	<b>4460041</b>	<b>16787345</b>	<b>40.60</b>	<b>12330529</b>	<b>4456816</b>	<b>16787345</b>	<b>40.60</b>	<b>0.00</b>
	<b>Total (A+B):</b>	<b>36890019</b>	<b>4460041</b>	<b>41350060</b>	<b>100</b>	<b>36893244</b>	<b>4456816</b>	<b>41350060</b>	<b>100</b>	<b>0.00</b>
(C)	Shares held by custodians, for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (C):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>GRAND TOTAL (A+B+C):</b>	<b>36890019</b>	<b>4460041</b>	<b>41350060</b>	<b>100</b>	<b>36893244</b>	<b>4456816</b>	<b>41350060</b>	<b>100</b>	<b>0.00</b>

**(ii) Shareholding of Promoters :**

S. No.	Shareholder's Name	Shareholding as on the date of incorporation (01-APR-2019)			Shareholding at the end of the year (31-MAR-2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	<b>PROMOTERS</b>							
1	SHRI HOUSING PRIVATE LIMITED	11100000	26.84	26.84	11100000	26.84	26.84	-
2	VIDYANARAYANAMURTHI M	10000200	24.19	24.19	10000200	24.19	24.19	-
3	VATHSALA RANGANATHAN	3462515	8.37	-	3462515	8.37	-	-
	<b>Total</b>	<b>24562715</b>	<b>59.40</b>	<b>51.03</b>	<b>24562715</b>	<b>59.40</b>	<b>51.03</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) :**

Sl. No.		Shareholding at the beginning / end of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	SHRI HOUSING PRIVATE LIMITED	11100000	26.84	-	-	-	-	-
2	VIDHYANARAYANAMURTHI M	10000200	24.18	-	-	-	-	-
3	VATHSALA RANGANATHAN	3462515	8.37	-	-	-	-	-

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1	VAATA INFRA PRIVATE LIMITED						
	At the beginning of the year 01-Apr-2019	4000000	9.6735	4000000	9.6735	'IN30131321257166	AADCC3678E
	At the end of the Year 31-Mar-2020	4000000	9.6735	4000000	9.6735		
2	SITA SRINIVASAN						
	At the beginning of the year 01-Apr-2019	2553725	6.1758	2553725	6.1758	'IN30302859135459	AANPS3659J
	At the end of the Year 31-Mar-2020	2553725	6.1758	2553725	6.1758		
3	V R RAGHUNATHAN						
	At the beginning of the year 01-Apr-2019	1250000	3.0229	1250000	3.0229	'IN30002011453858	AADPR5357E
	At the end of the Year 31-Mar-2020	1250000	3.0229	1250000	3.0229		
4	VIJAYALAKSHMI R						
	At the beginning of the year 01-Apr-2019	972605	2.3521	972605	2.3521	'IN30131321248995	ADQPV3329L
	At the end of the Year 31-Mar-2020	972605	2.3521	972605	2.3521		
5	INDUSTRIAL VENTURE CAPITAL LTD						
	At the beginning of the year 01-Apr-2019	446400	1.0795	446400	1.0795	'I0000284	
	At the end of the Year 31-Mar-2020	446400	1.0795	446400	1.0795		
6	YOGYA INVESTMENT AND FINANCES CO LTD						
	At the beginning of the year 01-Apr-2019	430400	1.0408	430400	1.0408	'00010374	AAACY0249G
	At the end of the Year 31-Mar-2020	430400	1.0408	430400	1.0408		





Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
7	MAMTA RAM GOPAL RAMGARHIA						
	At the beginning of the year 01-Apr-2019	289363	0.6997	289363	0.6997	'1203450000009698	ABDPR9857N
	At the end of the Year 31-Mar-2020	289363	0.6997	289363			
8	RAM GOPAL RAMGARHIA (HUF)						
	At the beginning of the year 01-Apr-2019	274324	0.6634	274324	0.6634	'1203450000691439	AAFHR8082N
	At the end of the Year 31-Mar-2020	274324	0.6634	274324			
9	RAM GOPAL RAMGARHIA						
	At the beginning of the year 01-Apr-2019	225242	0.5447	225242	0.5447	'1203450000009679	ADGPR8048E
	At the end of the Year 31-Mar-2020	225242	0.5447	225242			
10	JET AGE FINANCE PVT LTD						
	At the beginning of the year 01-Apr-2019	214500	0.5187	214500	05187	J0001574	
	At the end of the Year 31-Mar-2020	214500	0.2560	10606	0.0256		

**(v) Shareholding of Directors and Key Managerial Personnel :**

Sl. No.		Shareholding at the beginning / end of the year		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. A Sriram	213907	0.52	-	-	-	213907	0.52

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment :**

Rs.in lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	888.33	656.22		1544.57
ii) Interest due but not paid	661.95	11.32		673.25
iii) Interest accrued but not due	12.16	0.64		12.80
Total (i+ii+iii)	1562.44	668.18	-	2230.62
Change in Indebtedness during the financial year				
· Addition (Principal)	Nil	Nil	Nil	Nil
· Addition (Interest)	228.07	19.68	Nil	247.75
- Reduction (Principal)	(8.00)	(56.25)	Nil	(64.25)
- Reduction (Interest)	Nil	(5.91)	Nil	(5.91)
Net Change	220.07	(42.48)	Nil	177.59
Indebtedness at the end of the financial year				
i) Principal Amount	880.33	599.97	Nil	1480.30
ii) Interest due but not paid	888.24	25.68	Nil	913.92
iii) Interest accrued but not due	13.94	0.05	Nil	13.99
Total (i+ii+iii)	1782.51	625.70	Nil	2408.21

**VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Mr. M Narayanamurthi**

Rs. In Lakhs

Sl. No.	Particulars of Remuneration	Managing Director – Mr. M Narayanamurthi	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	2.40	2.40
	(b) Value of perquisites/s 17(2)Income-tax Act,1961	NIL	NIL
	(c) Profits in lieu of salary under section17(3) Income-tax Act,1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission	NIL	NIL
	- as % of profit		
	- others,specify...		
5.	Others, please specify	NIL	NIL
	Total (A)	2.40	2.40



**B. Remuneration to other directors :**

Sl. No.	Particulars of Remuneration	Mr. K N Narayanan	Ms J Sharadha			Total Amount
1.	Independent Directors Sitting fees ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	Nil	Nil	NIL	Nil	Nil

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD :**

Rs. In Lakhs

Sl. No.	Particulars of Remuneration	Chief Finance Officer	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2)Income-tax Act,1961 (c) Profits in lieu of salary under section17(3) Income-tax Act,1961	1.20 NIL NIL	1.20 NIL NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others,specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	1.20	1.20

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed / Court	Authority (RD / NCLT made if any (give Details)	Appeal
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



**AOC -1**

(Pursuant to first proviso to subsection (3) of Section 120 read with rule 5 of the Companies (Accounts) Rules, 2014

**Statement containing salient features of the Financial statement of Subsidiaries / Associate Companies / Joint Ventures**

**Part "A": Subsidiaries**

(information in respect of each subsidiary to be presented with amounts in Rs.)

	RCI Power Ltd	RCI Power (AP) Ltd	RCI Power 30 MW Pvt Ltd	RCI Power 50 MW Pvt Ltd
Reporting Period of the Subsidiary	31.03.20	31.03.20	31.03.20	31.03.20
% of Shareholding	100%	100%	100%	1%
Reporting currency and Exchange rate as on the last date of relevant Financial Year in the case of foreign subsidiaries	Not a Foreign Subsidiary	Not a Foreign Subsidiary	Not a Foreign Subsidiary	Not a Foreign Subsidiary
Share Capital	150,000,000	500,000	100,000	100000
Reserves & Surplus	515,275,564	85,595,602	(410,487)	(410,794)
Other Liabilities	63,039,196	5,141,775	310,487	(310,794)
Total Equity and Liabilities	728,314,760	91,237,377	-	-
Total Assets	728,314,760	91,237,377	-	-
Investments (Excl Investment in Subsidiaries)	-	-	-	-
For the Year ended 31st March 2019				
Turnover	-	-	-	-
Profit / (Loss) Before Taxation	(2,927,426)	57,072	(53,183)	(50,683)
Provision for Taxation	-	-	-	-
Profit / (Loss after Taxation)	(2,927,426)	57,072	(53,183)	(50,683)
Proposed Dividend	Nil	Nil	Nil	Nil

**Part "B" Associates and Joint Ventures**  
**Statement pursuant to Section 129(3) OC THE Companies Act, 2013 related to**  
**Associate Companies and Joint Ventures**

Name of Associates / Joint Ventures	NIL
Latest audited Balance sheet Date	NA
Date on which associatee or Joint Venute was associated or acquired	NA
Shares of Associate / Joint Venture was associated or acquired	NA
No of shares	NA
Extent of Holding %	NA
Description of how there is significant influence	NA
Reason why the associate / joint venture is not consolidated	NA
Net worth attributable to shareholding as per latest audited Balance Sheet	NA
Profit . Loss for the year	NA
- considered in consolidation	NA
- Not considered in consolidation	NA

1. Names of associates or joint ventures which are yet co commence operations
  2. Names of associates or joint ventures which have beenb liquidated or sold during the year.
- Note: this Form is to be certified in the same manner in which the Balance Sheet is to be certified.



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014] and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

To,

The Members,

**PREMIER ENERGY AND INFRASTRUCTURE LIMITED**

Tangy Apartments, Ground Floor,  
34, Dr. P.V. Cherian Road of Ethiraj Salai,  
Egmore, Chennai – 600008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Premier Energy and Infrastructure Limited** [Corporate Identity No. L45201TN1988PLC015521] (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under does not arise;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - c) The Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
  - d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 does not arise;
  - e) The Company has not issued any debentures during the period under review, and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;
  - f) The Company has not issued any preference shares during the period under review, and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013;
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Company has not delisted its Securities from the Stock Exchange in which it is listed during the period under review, hence the requirement of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise; However the trading in the equity shares of the Company was suspended in BSE Limited vide LIST/COMP/SCN/533100/112/2018-19 dated 26.04.2018
  - i) The Company has not bought back any shares during the period under review, hence the requirement of compliance with the provisions of the Securities and Exchange Board of India

- (Buyback of Securities) Regulations, 2018 does not arise;
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- k) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As identified by the Management, no specific laws/acts are applicable to the company. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor, tax auditor and other designated professionals.
- We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below;
1. *The Company has not appointed a Woman Director pursuant to Section 149 (1) of the Companies Act, 2013. However as per the information and explanations provided by the Company, the Company has appointed Ms. Gunti Sharadha as an Independent Director of the Company with effect from 28<sup>th</sup> March, 2019. The Company could not file the form relating to her appointment with ROC on account of non filing of INC 22A (Active Form).*
  2. *The company has not appointed internal auditor for the Financial Year 2019-20 as required under section 138 of the Companies Act, 2013.*
  3. *The Company has not appointed Company Secretary as Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013.*
  4. *The Company has not appointed Chief Financial Officer as Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013.*
  5. *The Company does not have one-third of a total number of directors as independent directors in the Board pursuant to Section 149(6) of the Companies Act, 2013. Consequent to which, the Company has not re-constituted Audit Committee and Nomination Remuneration Committee under the Companies Act, 2013. However as per the information and explanations provided by the Company, the Company has appointed Ms. Gunti Sharadha an Independent Director of the Company with effect from 28<sup>th</sup> March, 2019. Further to which the Company has re-constituted the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee on 28<sup>th</sup> March, 2019.*
  6. *As per the information available in the MCA portal Mr. Narayana Mankalmurthi, Managing Director, of this company has been disqualified under Section 164(2) of the Companies Act, 2013. Hence Mr. Narayana Mankalmurthi who was appointed as Managing Director for three years with effect from 30<sup>th</sup> Nov 2017, cannot be reappointed in this Company on/after 12<sup>th</sup> November 2020.*
  7. *As per the information available in the MCA portal Mr. Vikram Mankal, Director of this company has been disqualified under Section 164(2) of the Companies Act, 2013. Further as per the information and explanations provided by the company and also the records made available, Mr. Vikram Mankal has resigned from the Company with effect from 20<sup>th</sup> March, 2019. The Company could not file the form relating to his resignation with ROC on account of non filing of INC 22A (Active Form).*
  8. *Mr. K N Narayanan, Independent Director was appointed for a second term of 5 years on 30<sup>th</sup> September, 2019. The Company could not file the form relating to his appointment with ROC on account of non filing of INC 22A (Active Form).*
  9. *The Company has not filed the following forms/ returns with the Registrar of Companies INC-22A, DPT-3, MR-1, MGT-14, DIR-12.*
  10. *The Company has not complied with the Secretarial Standards on Board Meetings, as applicable issued by the Institute of Company Secretaries of India.*
  11. *The Statutory Auditor of the Company had resigned on 1<sup>st</sup> November, 2019 and the resulting casual vacancy was not filled within the prescribed time limit pursuant to Section 139(8) of the Companies Act, 2013.*
  12. *The Statutory Auditor of the Company resigned on 1<sup>st</sup> November, 2019 and the resulting casual vacancy was filled on 20<sup>th</sup> July, 2020 consequent to which, the audit reports for the period ended 30<sup>th</sup> September 2019 to 31<sup>st</sup> March, 2020 were signed by the appointed auditor.*
- With regard to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- i. *The trading in the equity shares of the Company was suspended in BSE Limited vide LIST/COMP/SCN/533100/112/2018-19 dated 26.04.2018 on account of non-payment of penalty imposed on the company for delayed compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence the Company could not submit documents on the BSE website with respect to various Stock Exchange Compliances.*
  - ii. *The company has not filed documents pursuant to Regulation 7, 13, 21, 29, 30, 34 40 and 44 as prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange.*





- iii. *The Company has not filed disclosures pursuant to Regulation 74(5) of the SEBI (Depository and Participants) Regulations, 2018 to the Stock Exchanges.*
- iv. *The Company could not disclose the closure of trading window to the Stock Exchanges.*
- v. *The Company had not submitted the financial results for the quarter ending 30<sup>th</sup> September, 2020 and 31<sup>st</sup> December, 2020. As per the information and explanation provided by the Company, the Statutory Auditor had resigned on 1<sup>st</sup> November, 2020 and subsequently, the resulting casual vacancy was filled by the Company on 20<sup>th</sup> July, 2020 and the said financial results were signed by the appointed Auditor post his appointment.*
- vi. *The Company has not published newspaper advertisements as specified in Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except intimation for the Board Meeting dated 30<sup>th</sup> May, 2019.*
- vii. *The Company has received a letter from BSE vide letter no LIST/COMP/CT/14/2019-20 dated 13<sup>th</sup> March 2019 with respect to payment of SOP fines. The Company is directed to pay an amount of Rs 81,63,830/- on or before June 30, 2019 failing which the delisting of the company will continue.*
- viii. *The Company has not appointed a Compliance Officer pursuant to Regulation 6 of the SEBI (LODR) Regulations, 2015.*
- ix. *The Company does not have one-third of a total number of directors as independent directors. Consequent to which the Company did not re-constitute Committees that are mandatory and did not hold any Committee meetings for the financial year ended 31<sup>st</sup> March, 2020. However as per the information and explanations provided by the Company, the Company has appointed Ms. Gunti Sharadha an Independent Director of the Company with effect from 28<sup>th</sup> March, 2019. Further to which the Company has re-constituted the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee on 28<sup>th</sup> March, 2019.*
- x. *The Company has not appointed a Company Secretary consequent to which the Audit Committee does not have a Secretary pursuant to Regulation 18(e) of the SEBI (LODR) Regulations, 2015.*
- xi. *The Company has not appointed any Independent Director in the board of RCI Power Limited and RCI Power (AP) Limited which are material subsidiaries as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.*
- xii. *The company has not submitted Annual Secretarial Compliance Report for the financial year ended 31.03.2019 and 31.03.2020.*

**We further report that**

As per the information and explanations provided by the Company and also the records made available, the Board of Directors of the Company is constituted with proper balance of Executive Director and Independent Directors. There are changes in the composition of the Board of Directors during the period under review.

Notice is generally given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, the decisions were carried out with the unanimous consent of the Directors and no members dissented on the decisions taken at such Board Meetings.

**We further report that** there are adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines. However the Compliance report was not submitted to the Board.

**We further report that** the above mentioned Company being a Listed entity, this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India.

**We further report that** as per the information and explanations provided by the Management, the Company has two Material Unlisted Subsidiaries, viz. RCI Power Limited, and RCI Power (AP) Limited Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that** there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards during the period under review.

**For SRINIDHI SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES**

**CS SRINIDHI SRIDHARAN**

**CP No. 17990**

**ACS No. 47244**

**UIN : S2017TN472300**

Place : Chennai

Date : 12<sup>th</sup> November, 2020 **UDIN: A047244B001219901**

*This report is to be read with our letter of even date which is annexed as **ANNEXURE A** and forms an integral part of this report.*

**Annexure A'**

To,

The Members

**PREMIER ENERGY AND INFRASTRUCTURE LIMITED**

Tangy Apartments, Ground Floor,  
34, Dr. P.V. Cherian Road of Ethiraj Salai,  
Egmore, Chennai – 600008

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

**For SRINIDHI SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES**

**CS SRINIDHI SRIDHARAN**

**CP No. 17990**

**ACS No. 47244**

**UIN : S2017TN472300**

Place : Chennai

Date : 12<sup>th</sup> November, 2020 **UDIN: A047244B001219901**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members,  
**PREMIER ENERGY AND INFRASTRUCTURE LIMITED**  
 CIN: L45201TN1988PLC015521  
 Tangy Apartments, "A" Block, New No.6/1,  
 34, Dr. P V Cherian Crescent Road,  
 Egmore, Chennai- 600008

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PREMIER ENERGY AND INFRASTRUCTURE LIMITED** having CIN: L45201TN1988PLC015521 and having registered office at Ground Floor, Tangy Apartments, 34, Dr. PV Cherian Road, Off. Ethiraj Salai, Egmore, Chennai-600008 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority except **Mr. Narayana Mankalmurthi (DIN 00332455)** who has been debarred/disqualified by the Ministry of Corporate Affairs under section 164(2) of the Companies Act, 2013.

Further, as per the information available in the MCA portal Mr. Vikram Mankal, Director of this company has been disqualified under Section 164(2) of the Companies Act, 2013. Further as per the information and explanations provided by the company and also the records made available, Mr. Vikram Mankal has resigned from the Company with effect from 20<sup>th</sup> March, 2019. The Company could not file the form relating to his resignation with ROC on account of non filing of INC 22A (Active Form).

As per the information and explanations provided by the Company, the Company has appointed Ms. Gunti Sharadha an Independent Director of the Company with effect from 28<sup>th</sup> March, 2019. The Company could not file the form relating to her appointment with ROC on account of non filing of INC 22A (Active Form).

Mr. K N Narayanan, Independent Director was appointed for a second term of 5 years on 30<sup>th</sup> September, 2019. The Company could not file the form relating to his appointment with ROC on account of non filing of INC 22A (Active Form).

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SRINIDHI SRIDHARAN & ASSOCIATES  
 COMPANY SECRETARIES**

**CS SRINIDHI SRIDHARAN  
 CP No. 17990  
 ACS No. 47244**

Place : Chennai **UIN : S2017TN472300**  
 Date : 12<sup>th</sup> November, 2020 **UDIN: A047244B001219901**

Sr. No.	Name of Director	DIN	Dis-qualified	Date of Appointment in Company
1.	Kytharam Narayanaier Narayanan	01543391	No	03/06/2009
2.	Narayana Mankalmurthi	00332455	Yes	13/11/2015
3.	J Gunti Sharadha	08398179	No	28/03/2019

## CORPORATE GOVERNANCE REPORT

[Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”)]

Your Directors have great pleasure in presenting the Corporate Governance Report for the year ended 31st March, 2020.

Corporate Governance is the systematic process by which the affairs of the Company are directed and controlled by the Board in the best interest of all the stakeholders. The interest of various stakeholders like the Shareholders, management, employees, customers, suppliers and service providers, regulators and the community at large is sought to be aligned through the process of Corporate Governance. Corporate Governance ensures fairness, transparency and integrity in dealings by the Company.

It is an internal system encompassing policies, processes and people, which serve the needs of Shareholders and other stakeholders, by directing and controlling management activities towards business orientation, objectivity, accountability and integrity.

### 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Premier Energy & Infrastructure Limited (“PEIL”) believes that Corporate Governance is an essential element of business, which helps the Company to fulfil its responsibilities to all its stakeholders. PEIL is committed to the adoption of best governance practices and constantly strives to improve them and adopt the best practices. The Company is committed to the spirit by holding the core values of integrity, passion, responsibility, quality and respect in dealing with all stakeholders of the Company.

#### PEIL’s corporate governance policy includes

- An Independent and effective Board of Directors
- Good audit process and reporting
- Transparency
- Maximizing shareholder value
- Meeting social obligations

Key elements in corporate governance are transparency, internal control, risk management, internal and external communications and high standards of safety & health. The Board has empowered responsible officers to implement broad policies and guidelines and has set up adequate review processes.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance except otherwise stated in this report.

In compliance with the disclosure requirements of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “Listing Regulations”), the details are set out below:

### 2. Board of Directors

#### a) Composition

The Board of Directors, as at the end of the year 31<sup>st</sup> March 2020, comprised of 3 (Three) Directors. Out of the 3 Directors, 2 are Independent Directors. The Chairman of the Company is an Executive Director. The Board of the Company has 1 Woman Independent Director as on 31st March, 2020. The Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Board has an optimum combination of Executive, Non-Executive and Independent Directors. As on March 31, 2020 the composition of the Board is in conformity with Regulation 17(1) of the Regulations as well as the Companies Act, 2013 (“the Act”) and the rules made thereunder.

Executive Directors	1
Non Executive and Non-Independent Directors	0
Non Executive and Independent Directors	2



All independent directors possess the requisite qualifications and are very experienced in their own fields. Directors other than Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorships/ committee memberships and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March, 2020 are given below:

Name of Director	Category	Number of Directorships in other Companies	Number of Committee Chairmanship in other Companies	Number of Committee Memberships in other Companies
Mr. Narayanamurthi	Managing Director	2	-	-
Mr. K N Narayanan	Non Executive –Independent Director	2	-	-
Ms. J Sharadha	Non Executive –Independent Director	4	-	-

Notes:

1. Excluding Alternate Directorships and Directorships in Foreign companies, Private companies and Section 8 companies
2. Only membership in Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies whether listed or not, have been reckoned for committee memberships
3. None of the Independent Directors on the Board is an Independent Director in more than seven Listed Companies as required under Regulation 25 (1) of LODR Regulations.

The details of the other listed entities where the directors of the Company are Directors and the category of directorship as on March 31, 2020 are as follows:

## b) Board Meetings

The Board has formal schedule of matters reserved for its consideration and decision. The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations, the Board is also kept informed of major events/items and approvals are taken wherever necessary for ensuring adequate availability of financial resources and periodically consider the report on compliance of applicable laws and gives appropriate directions.

The Board also reviews the Board Meeting minutes and financial statements and also takes on record the Committee meeting minutes.

The Board of Directors had met Five (5) times during the financial year ended 31<sup>st</sup> March, 2020 on 30<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019, 30<sup>th</sup> September, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The maximum gap between any two meetings was less than 120 days. During the year, separate meeting of the Independent Directors was held on 14<sup>th</sup> February, 2020 without the attendance of non-Independent Directors and members of the management as required under Regulation 25(3) of SEBI (LODR) Regulations 2015 and Schedule IV of the Act to discuss the matters specified therein.

In line with the amendments to the Companies Act, 2013 and Listing Regulations, the Company had reviewed the following existing policies which were duly amended by the Board.

- Policy on dealing with Related Parties and materiality of related party transactions
- Code of Conduct for Directors and Senior Management
- Remuneration Policy
- Whistle Blower Policy
- Criteria for senior management
- Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS)

**Details of Board members as on 31<sup>st</sup> March, 2020 and Attendance at Board & General Meetings**

Sl. No.	Date	Board Strength	No. of Directors Present
1	30.05.2019	3	3
2	14.08.2019	3	3
3	30.09.2019	3	3
4	14.11.2019	3	3
5	14.02.2020	3	3

The Company places before the Board all those details as required under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations. The dates for the board meetings are fixed well in advance after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The management appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews the performance, approves capital expenditures, sets the strategy that the company should follow and ensures financial stability. The Board reviews and takes on record the actions taken by the company on all its decisions periodically.

**Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)**

Sl. No.	Name	No. of Board Meetings Held	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. M Narayanamurthi	5	5	Yes
3.	Mr. K N Narayanan	5	5	Yes
4	Ms. J Sharadha	5	5	Yes

**Changes in the Board during the year**

There were no changes in the Composition of the Board during the year 2019-20. None of the Directors of the Company are related to each other.

**Board Procedure**

The Directors are elected based on their qualifications and experience in varied fields as well as company's business needs. The Nomination and Remuneration Committee recommends the appointment of Directors to the Board. At the time of induction on the Board of the Company, an invitation to join the Board of the Company is sent and a Directors' handbook comprising a compendium of the role, powers and duties to be performed by a Director is given to the new Director. Presentation is also made to the new Director regarding the business and other details of the Company.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

On their appointment, Independent Directors are familiarized about the Company's business and operations. Interactions with senior executives are facilitated to gather insight specific to the Company's operations. Detailed presentations are made available to apprise about Company's history, current business plan and strategies. As part of the familiarization programme, a handbook is provided to all Directors, including Independent Directors, at the time of their appointment. The handbook provides a snapshot to the Directors of their duties and responsibilities, rights, process of appointment and evaluation, compensation, Board and Committee procedures and expectation of various stakeholders. The details of familiarization programmes as above are also disclosed on the website of the Company at <http://www.premierenergy.in/>

**KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES**

The Company is an energy based company and hence presence of technical expertise in engineering and technology in the Board to guide the Company in its operations and strategy assumes significance. In addition the need for experts on the Board in the fields of banking, foreign affairs, management, legal and compliance is



also considered significant for the sustainable growth of the Company. Considering the nature of the business the Company operates in and its global presence, the Board is required to possess various skills/expertise in the field of technology, engineering, foreign affairs, finance, banking, legal and compliance and management. The Directors are nominated to the Board based on their qualification and experience in order to maintain a healthy balance of diversified experts on the Board.

A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board is given below:

Director	Financial Expertise	Technology	Leadership	Business Development
Mr. M Narayanamurthi	✓	✓	✓	✓
Mr. K N Narayanan	✓	✓	✓	✓
Ms. J Sharadha			✓	✓

- i) In the opinion of the Board, all independent directors fulfill the conditions specified in these regulations and are independent of the management.
- j) There were no instances of Independent Director who resigned before the expiry of his/her tenure during the year.
- k) The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances on a yearly basis.

**l) Details of shareholding of Directors as on 31st March 2020**

As on 31st March 2020, the company had 3 Directors. None of the directors holds shares in the company. The Company has not issued any convertible instruments.

**3. Board Committees**

**a. Audit Committee**

The role of Audit Committee in brief is to review the financial statements, internal controls, accounting policies and internal audit reports.

**The purpose of the Audit Committee** (the “Committee”) is to assist the Board of Directors (the “Board”) in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls which management and the Board have established, appointing, retaining and reviewing the performance of statutory auditors and overseeing the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements.

**Composition**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, the Company has in place an Audit Committee with Mr. K N Narayanan (DIN: 01543391) as the Chairman. The Committee consists of two Independent Directors and one Non-Independent Director. All the members of the Committee have excellent financial & accounting knowledge. Managing Director of the company and Statutory Auditors are the invitees to the meetings of the Audit Committee.

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 30<sup>th</sup> September, 2019.

**Brief Description of the Terms of Reference**

1. Oversight of the Company’s financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
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 and auditors' report thereon before submission to the Board for approval
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Discussion with internal auditors any significant findings and follow up thereon;
7. Reviewing with the management, the statement of uses/ application of funds raised through an issue, 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;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary including appointment of Registered Valuers;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management and monitoring the auditor's independence and performance and effectiveness of audit process
13. Reviewing with the management, performance of statutory auditors and internal auditors, adequacy of the internal control systems & effectiveness of the audit process
14. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
15. Discussion with internal auditors of any significant findings and follow up thereon
16. 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
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well post audit discussion to ascertain any area of concern

Mandatorily review the following:

1. 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
2. Management letters / letters of internal control weaknesses issued by the statutory auditors
3. Internal audit reports relating to internal control weaknesses
4. Appointment, removal and terms of remuneration of the Chief Internal auditor shall be subject to review by the Audit Committee
5. Review the financial statements, in particular, the investments made by the unlisted subsidiary company.
6. To review functioning of whistle blower mechanism and oversee the vigil mechanism of the Company
7. Recommend the appointment of Chief Financial Officer after assessing the qualifications, experience, background etc. of candidate
8. Review of compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year
9. Verify that the systems for internal control as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively
10. Review the Statement of Deviation if any





11. To review the utilization of loans and/ or advances from/investment in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments
12. Any other functions as per the terms of reference as may be required by law from time to time.

As a good corporate governance practice, the Company has put in place a system for a separate discussion of the Audit Committee with the statutory auditor without the presence of the management team.

**Meetings**

The Committee met Four (4) times during the financial year ended 31<sup>st</sup> March, 2020 viz. on 30<sup>th</sup> May, 2019, 14<sup>th</sup> August, 2019 , 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020 and the time gap between the two meetings did not exceed 120 days.

The composition of the Audit Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman / Member	No. of Meetings Attended
Mr. K N Narayanan	Chairman	4
Mr. M Narayanamurthi	Member	4
Ms J Sharadha	Member	4

**b. Stakeholders Relationship Committee**

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Company has constituted a Stakeholders Relationship Committee with Mr. K N Narayanan (DIN: 01543391), Director as the Chairman. The committee consists of two Independent Directors and one Non - Independent Director.

**Brief description of Terms of Reference**

1. Formulation of shareholders servicing plans and policies in line with the Company’s Corporate Governance plans and policies and develop the standards therefor.
2. Monitoring and reviewing the mechanism of share transfers, dematerialisation process, sub- divisions, consolidations, issue of duplicate certificates etc. and to determine and set standards for processing of the same.
3. Monitoring and reviewing the mechanism of share transfers, dematerialisation process, sub- divisions, consolidations, issue of duplicate certificates etc. and to determine and set standards for processing of the same
4. Determining the standards for resolution of shareholders grievance
5. Resolving the grievances of the security holders of the listed entity
6. Review of measures taken for effective exercise of voting rights by shareholders.
7. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the RTA.
8. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
9. To investigate any activity within its terms of reference.

**Composition & Meetings**

- a) One Committee meeting was held on 14<sup>th</sup> February, 2020 during the financial year 2019-2020.

- b) The composition of the Stakeholders Relationship Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended
Mr. K N Narayanan	Chairman	1
Mr. M Narayanamurthi	Member	1
Ms J Sharadha	Member	1

- c) Details of number of complaints received during the year and Status of Investor Complaints as on 31<sup>st</sup> March, 2020 and reported to BSE Ltd. Under Regulation 13 of the Listing Regulations are as follows:

Complaints' as on April 1, 2019	Nil
Received during the year	Nil
Resolved during the year	NA
Pending as on March 31, 2020	Nil

- d) The company is required to appoint Company Secretary and is in the process of identifying eminent person to fill the vacancy.

### c. Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations for identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

The Nomination and Remuneration Committee has framed the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

#### Terms of reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. To decide whether to extend or continue the term of appointment of Independent Director on the basis of the report of performance evaluation of Independent Directors.

#### Composition & Meetings

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations the Company has in place an Nomination and Remuneration Committee with Mr. K N Narayanan (DIN: 01543391) as the Chairman. The Committee consists of two Independent Directors and one Non-Independent Director. During the year 2 (two) meetings were held viz., on 30<sup>th</sup> May, 2019 and 30<sup>th</sup> September, 2019. The composition of Nomination



and Remuneration Committee and particulars of meetings attended by the members of the Committee are given below:

Name of the Member	Chairman/ Member	No. of Meetings attended
K.N. Narayanan	Chairman	2
M Narayanamurthi	Member	2
J Sharadha	Member	2

### Criteria for Performance Evaluation

Section 178 of the Companies Act, 2013 read with Clause VII (3 a & b) & Clause VIII of Schedule IV of the Companies Act, 2013 lays down specific requirements on performance evaluation of Board/ Chairperson/ Independent Directors. As per Part D of Schedule II of Listing Regulations, the Nomination and Remuneration Committee has to lay down the criteria for the above. The Committee had discussed in detail about the criteria to be adopted and process/format to be followed for evaluation of performance of Board/Committees and Directors. Based on the same, the evaluation process was completed for the year.

Parameters adopted as criteria for evaluation were as follows:

- i) Attendance
- ii) Preparedness for the Meeting
- iii) Staying updated on developments
- iv) Active participation at the meetings
- v) Constructive contribution
- vi) Engaging with and challenging the management team without being confrontational or obstructionist
- vii) Speaking one's mind and being objective
- viii) Protection of interest of all stakeholders

### Performance Evaluation

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment and safe guarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Remuneration Policy

The Board through the Nomination and Remuneration Committee adopted a Remuneration policy pursuant to Section 178 of the Companies Act, 2013. This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

The Company's total compensation for Key Managerial Personnel/other employees consists of:

- fixed compensation
- variable compensation in the form of annual incentive
- benefits
- work related facilities and perquisites

The remuneration policy applicable to the members of the Board and Key Managerial personnel/ other employees is available in the Company's website <http://www.premierenergy.in/policies.html>

**Directors' Remuneration during the financial year 2019-2020**

Directors	Remuneration during the year ended 31 <sup>st</sup> March, 2020 (Salary & Perks) (Rupees in Lakhs)	Commission (paid during the year and pertains to previous financial year)	Business Relationship with the Company, if any
M Narayanamurthi	2.40	Nil	Nil
K N Narayanan	Nil	Nil	Nil
J Sharadha	Nil	Nil	Nil

There was no other pecuniary relationship or transaction of Non Executive Independent Directors vis-à-vis the Company. The Company does not have any stock option scheme.

**Corporate Social Responsibility Committee**

In view of the losses incurred by the Company in two of the three previous financial years and average of three years net profit being negative, the requirement on spending or conducting meetings under the Corporate Social Responsibility Policy as per Section 135 of the Companies Act, 2013 is not applicable to the Company. The Committee was therefore dispensed with at the Board Meeting held on 14<sup>th</sup> February, 2020.

**Meeting of Independent Directors:**

The Independent Directors of the Company had met once during the year on 14<sup>th</sup> February, 2020 to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Company had also during the year, conducted familiarization programme for Independent Directors of the Company. This was done through regular presentation to the Directors and also discussions with management team. Any fresh induction into the Board of Directors is followed up with detailed briefing on the background of the Company, industry segments where the Company is present and other business details. The details of the familiarisation programme are uploaded in the website of the Company. <http://www.premierenergy.in/policies.html>

**Details of Shareholding of Directors as on 31<sup>st</sup> March, 2020**

None of the directors hold shares in the company.

**General body Meetings**

The location, date and time of General Meetings held during the last 3 years are given below:

**Annual General Meeting (AGM):**

For the year ended 31 <sup>st</sup> March	Venue	Day and Date	Time
2019	Bharathiya Vidhya Bhavan (Mini Hall - II Floor) 18,20,22, East Mada Street, Mylapore, Chennai 600 004	Monday, the 30th September, 2019	11 A.M
2018	Bharathiya Vidhya Bhavan (Mini Hall - I Floor) 18,20,22, East Mada Street, Mylapore, Chennai 600 004	Saturday, the 29th September, 2018	11 A.M
2017	Bharathiya Vidhya Bhavan (Mini Hall - I Floor) 18,20,22, East Mada Street, Mylapore, Chennai 600 004	Thursday, the 28th September, 2017	11 A.M



**Details of Special Resolutions passed during the previous 3 Annual General Meetings:**

<b>Date of AGM</b>	<b>Whether any Special Resolution was passed</b>	<b>Particulars</b>
30.09.2019	No	Nil
29.09.2018	No	Nil
28.09.2017	No	Nil

**Postal Ballot:**

- No special resolution was passed through postal ballot during the last financial year.
- There is no immediate proposal for passing any special resolution through postal ballot.

**CODE OF CONDUCT**

The Board had laid down a 'Code of Conduct', for all the Board members and the Senior Management of the Company, and the code is posted on the website of the Company.

Annual declaration regarding compliance with the code is obtained from every person covered by the code of conduct and a certificate to this effect, signed by Mr. M Narayanamurthi, Managing Director forms part of this report.

**CEO AND CFO CERTIFICATION**

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and Chief Financial Officer have given the annual certification on financial reporting and internal controls to the Board.

The Managing Director and Chief Financial Officer have also given quarterly certification on financial results, while placing the financial results before the Board, in terms of Regulation 33 of SEBI (LODR) Regulations, 2015. Accordingly, they have certified to the Board, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose, for the year ended March 31, 2020.

**PREVENTION OF INSIDER TRADING**

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 2015 as amended with a view to regulate trading in securities by the Directors and designated employees of the Company. This code is applicable to all Directors / officers / designated employees. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. All the Directors and Senior Management Personnel have confirmed compliance with the code.

The Board has also formulated a policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI as a part of the Code. The Board had also reviewed the Company's Code for practices and procedures for fair disclosure of unpublished price sensitive information and had also framed a policy for determination of 'legitimate purposes' as a part of this Code. The Company Secretary is responsible for implementation of the Code. The Company has in place an online system for monitoring the compliance of the Code by its designated employees.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted the whistle blower mechanism, a mandatory requirement of the Listing Regulations and the Companies Act, 2013 with the objective to provide employees, customers and vendors, an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal conduct of business, its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization of whistle blowing in good faith. The Audit Committee reviews periodically the functioning of whistle blower mechanism. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairman of the Audit Committee. The details of establishment of such mechanism are disclosed by the Company on its website and in the Board's Report.

It is hereby affirmed that no person has been denied access to the Audit Committee.

Mr. K N Narayanan, Chairman of the Audit Committee has been appointed as the Ombudsperson for Directors and Mr. A. Sriram has been appointed as the Ombudsperson for employees, customers and vendors, who will deal with the complaints received.

## DISCLOSURES

### Related Party Transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant related party transactions with Directors/ promoters/ management, which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interests, that might have a potential conflict with the interest of the Company at large, are placed before the Board. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. The details of such policies for dealing with Related Parties and the Related Party Transactions are disseminated in the website of the Company at <http://www.premierenergy.in/policies.html>

The Company has formulated a policy on determining 'Material' Subsidiaries is disseminated in the website of the company at <http://www.premierenergy.in/policies.html>

Transactions with the related parties are disclosed in Note No. 28 to the financial statements in the Annual Report.

### Statutory Compliances, Penalties and Strictures

The trading in the equity shares of the company was suspended in BSE limited vide LIST/COMP/SCN/533100/112/2018-19 dated 26.01.2018 on account of non payment of penalty imposed on the company for delayed compliance of SEBI( Listing Obligations and Disclosure Requirements) Regulation, 2015. Hence the company could not submit documents on the BSE website with respect to various stock exchange compliances.

### Commodity price risk or foreign exchange risks and hedging activities

#### Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

- a. Total exposure of the listed entity to commodities is NIL
- b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchange	OTC	Exchange	
NA							

- c. Commodity risks faced by the listed entity during the year and how they have been managed - Not applicable since there are no commodity trading

### DISCLOSURE RELATING TO FEE PAID TO STATUTORY AUDITOR

During the year, the Company have made the following payments to M/s. S H Bhanbardi & Co Statutory Auditors for the period 01.04.2019 to 30.06.2019 and A N Jambunathan & Co, Statutory Auditors for the period 01.07.2019 to 31.03.2020 and all entities in the network firm/network entity of which the Statutory Auditor is a part. The



Company has relied on the information furnished by the Statutory Auditors in respect of the firms/entities covered under network firm/network entity of which the Statutory Auditor is a part.

Name	Name of the Auditor	Nature of service	Amount (Rs. )
Statutory auditors	A N Jambunathan & Co	Statutory audit	5,25,000
		Tax audit	-
	S H Bhandari & Co	Limited review	3,75,000
		Others	-

Payment in respect of the non-audit services provided by the Statutory Auditors to the Company is made only with the approval of the Audit Committee as required under Section 144 of the Companies Act, 2013.

**PRACTISING COMPANY SECRETARY’S CERTIFICATE ON CORPORATE GOVERNANCE**

A certificate from Practising Company Secretary on Corporate Governance is annexed.

**PRACTISING COMPANY SECRETARY’S CERTIFICATE ON THE DIRECTOR’S DISQUALIFICATION**

A certificate from Practising Company Secretary on the Director’s Disqualification by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is annexed as part of this report.

**There were no funds raised through preferential allotment or qualified institutional placement as specified under Regulation 37(2A) during the year.**

**Compliance with Corporate Governance Norms**

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in the Listing Regulations. The Company has submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31<sup>st</sup> March, 2020. The certificate of compliance with the conditions of corporate governance as stipulated in Regulation 34(3) of the Listing Regulations forms part of the Annual Report.

The other non-mandatory requirements of the Listing Regulations to certain extent have been adopted by the Company.

**Means of Communication**

The quarterly unaudited financial results and major announcements like notice of Board Meetings; Book Closure etc. are normally published in daily newspapers. The company’s website address at ([www.premiereenergy.in](http://www.premiereenergy.in)) is regularly updated with financial results.

The website contains basic information about the company, news releases, presentations made to investors and such other details as are required under the listing regulations. The company ensures periodical updation of its website. The company has designated the email-id [premierinfra@gmail.com](mailto:premierinfra@gmail.com) to enable the shareholders to register their grievances.

**The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Disclosures on website	Yes

#### Details of recommendation of any committee of the Board which are not accepted by the Board

The Board of directors accepted all the recommendation(s) of the Committees of the Board during financial year ended March 31, 2020.

#### Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

The trading in the equity shares of the company was suspended in BSE limited vide LIST/COMP/SCN/533100/112/2018-19 dated 26.01.2018 on account of non payment of penalty imposed on the company for delayed compliance of SEBI( Listing Obligations and Disclosure Requirements) Regulation, 2015. Hence the company could not submit documents on the BSE website with respect to various stock exchange compliances.

#### Disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	FY 2019-20
No. of complaints on sexual harassments received during the year	---
No. of complaint disposed of during the year	---
No. of cases pending as on at end of the financial year	---

#### Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report.

#### General Shareholder Information

A separate section has been annexed to the Annual Report, furnishing various details viz., AGM venue, distribution of shareholding, means of communication etc., for the general information of the shareholders.

#### GENERAL SHAREHOLDER INFORMATION

##### Registered Office:

Ground Floor, Tanga Apartments, 34 DR P V Cherian Road, Off Ethiraj Salai, Egmore, Chennai 600 086.

**Corporate Identification Number:** L45201TN1988PLC015521

##### Annual General Meeting:

(i) **Date, Day, time and Venue:** 27<sup>th</sup> December, 2020, Sunday, 11.00 AM., Pursuant to various circulars issued by the Ministry of Corporate Affairs the AGM will be convened though Video Conferencing (VC)/ Other Audio Visual Means (OAVM).

(ii) **Financial Year:** 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020





(iii) **Date of Book Closure:** 20<sup>th</sup> December, 2020 to 27.12.2020 (both days inclusive)

(iv) **Listing**

The Company's shares are listed in BSE Limited

Address: 25 th Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001

(v) **Stock Code**

BSE Limited: 533100

The ISIN of the Company for its shares: INE429K01012

(vi) **Market price information**

a. The reported high and low closing prices during the year ended 31 March, 2020 on the BSE Ltd, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

BSE PRICE		
Month	High Price (Rs.)	Low Price (Rs.)
Apr-19	No Trade	No Trade
May-19	No Trade	No Trade
Jun-19	No Trade	No Trade
Jul-19	No Trade	No Trade
Aug-19	No Trade	No Trade
Sep-19	No Trade	No Trade
Oct-19	No Trade	No Trade
Nov-19	No Trade	No Trade
Dec-19	No Trade	No Trade
Jan-20	No Trade	No Trade
Feb-20	No Trade	No Trade
Mar-20	No Trade	No Trade

**Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.**

The Company has been suspended from BSE Limited, hence comparison in Performance from broad-based indices such as BSE Sensex, CRISIL index etc does not arise.

(vii) **Registrars and Share Transfer Agents**

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents – M/s. Cameo Corporate Services Limited

Subramanian Building, V Floor

No. 1, Club House Road

Chennai 600 002

India

Tel: (91 44) 2846 0390

Fax: (91 44) 2846 0129

Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com); [investor@cameoindia.com](mailto:investor@cameoindia.com)

Website: [www.cameoindia.com](http://www.cameoindia.com)

Contact Person: Ms. R Komala, Sr. Manager

SEBI Registration Number: INR000003753

Share Transfer and Investors Service System

A committee constituted for this purpose approves transfers in the physical form on fortnightly basis. The Board has authorised its directors and executives to approve the transfer/transmission. As per the directions of SEBI, the company immediately on transfer of shares sends letters to the investors, in the prescribed format, informing them about the simultaneous transfer and dematerialisation option available for the shares transferred in their names. The committee also looks into all communications received from the shareholders and complaints received from the stock exchanges.

**(viii) Shareholding as on 31 March, 2020**

**(a) Distribution of shareholding as on 31 March, 2020**

Category (Amount)	No. of holders	% of total holders	Total Shares	% of total shares
1 - 100	5729	52.6804	508867	1.2306
101 - 500	4142	38.0873	1105927	2.6745
500 - 1000	575	5.2873	460888	1.1146
1001 - 2000	188	1.7287	285513	0.6904
2001 - 3000	58	0.5333	149782	0.3622
3001 - 4000	28	0.2574	100037	0.2419
4001 - 5000	34	0.3126	161648	0.3909
5001 - 10000	53	0.4873	384281	0.9293
10001 & Above	68	0.6252	38193117	92.3653
<b>Total</b>	<b>10875</b>	<b>100</b>	<b>41350060</b>	<b>100</b>

**(b) Shareholding pattern as on 31<sup>st</sup> March, 2020**

Client Type	No of Holders	Total Positions	% of Holdings
Promoters	3	24562715	59.40
Residents	10728	10585694	25.60
Directors	-	-	-
Mutual Funds	3	55900	0.14
FI / Banks	3	400	-
Foreign Institutional Investors	2	200	-
NRI - Non Repatriable	4	92877	0.22
NRI - Repatriable	5	10304	0.02
Corporate Body	78	5656267	13.68
HUF	49	385703	0.94
<b>TOTAL</b>	<b>10875</b>	<b>41350060</b>	<b>100</b>

\* Shareholders with two folios clubbed together.

**(c) Capital of the Company**

The authorised and paid-up capital of your Company is Rs. 44,15,00,000/- and Rs.41,35,00,600/- respectively.



**(ix) Dematerialisation of shares and liquidity**

CATEGORY	NO.OF HOLDERS	TOTAL POSITIONS	% OF HOLDINGS
PHYSICAL	9265	4456816	10.77
NSDL	1187	34806885	84.17
CDSL	644	2086359	5.045
<b>TOTAL</b>	<b>11096</b>	<b>41350600</b>	<b>100.00</b>

The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are traded in BSE.

The Code number (ISIN) allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to the Company is INE-429K01012.

**(x) Address for correspondence**

Premier Energy & Infrastructure Limited  
Ground Floor,  
Tangy Apartments,  
34 Dr P V Cheria Road,  
Off Ethiraj Salai,  
Egmore  
Chennai-600008  
Tel: (91 44) 28270041  
Fax: (91 44) 28270041  
Email: premierinfra@gmail.com  
Website: [www.premierenergy.in](http://www.premierenergy.in)

On behalf of the Board

**M Narayanamurthi**  
Managing Director  
(DIN: 00332455)

Place: Chennai  
Date : 12<sup>th</sup> November, 2020

**DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all the Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company for the year ended 31<sup>st</sup> March, 2020, as envisaged in Part D of Schedule V to the Listing Regulations.

For and on behalf of the Board

**M Narayanamurthi**  
DIN: 00332455  
Managing Director

Place : Chennai  
Date : 12.11.2020



**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,

The Members

**PREMIER ENERGY AND INFRASTRUCTURE LIMITED**

Tangy Apartments, Ground Floor,  
34, Dr. P.V. Cherian Road of Ethiraj Salai,  
Egmore, Chennai – 600008

We have examined all relevant records of **Premier Energy and Infrastructure Limited**, (CIN: L45201TN1988PLC015521) having its Registered Office at Tangy Apartments, Ground Floor, 34, Dr. P.V. Cherian Road of Ethiraj Salai, Egmore, Chennai – 600008 for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2020.

Further, the trading in the equity shares of the Company was suspended in BSE Limited vide LIST/COMP/SCN/533100/112/2018-19 dated 26.04.2018 on account of non-payment of penalty imposed on the company for delayed compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence the Company could not submit documents on the BSE website with respect to various Stock Exchange Compliances.

We hereby report that except to the extent as mentioned below, the Company has generally complied with the aforesaid provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i. *The Company does not have one-third of a total number of directors as independent directors. Consequent to which the Company did not re-constitute Committees that are mandatory and did not hold any Committee meetings for the financial year ended 31<sup>st</sup> March, 2020. However as per the information and explanations provided by the Company, the Company has appointed Ms. Gunti Sharadha as Independent Director of the Company with effect from 28<sup>th</sup> March, 2019. Further to which the Company has re-constituted the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee on 28<sup>th</sup> March, 2019.*
- ii. *The Company has not appointed any independent Director in the board of RCI Power Limited and RCI (AP) Limited which are material subsidiaries as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.*
- iii. *The Company has not appointed a Company Secretary consequent to which the Audit Committee does not have a Secretary pursuant to Regulation 18(e) of the SEBI (LODR) Regulations, 2015.*

- iv. *The Company has not submitted Annual Secretarial Compliance Report for the financial year ended 31.03.2019 and 31.03.2020.*
- v. *The Company has not updated its website pursuant to Regulation 46(2) to the extent as mentioned below:*
  - a. *Committees of the Board*
  - b. *Code of Conduct of Board of Directors and Key Managerial Personnel*
  - c. *Details of familiarization programme imparted to the Independent Directors*
  - d. *contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances*
  - e. *financial results, on conclusion of the meeting of the board of directors where the financial results were approved*
  - f. *separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year*

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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has generally complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March, 2020.

**For SRINIDHI SRIDHARAN & ASSOCIATES  
COMPANY SECRETARIES**

**CS SRINIDHI SRIDHARAN**

**CP No. 17990**

**ACS No. 47244**

**UIN : S2017TN472300**

Place : Chennai

Date : 12<sup>th</sup> November, 2020 **UDIN: A047244B001219901**

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

### Report on the Audit of the Standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying standalone financial statements of Premier Energy & Infrastructure Limited ('the Company'), which comprise the Balance sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required; and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- (i) The Company is subject to interest liability on unpaid direct tax dues, however the same has neither been provided nor quantified. The company has not complied with the Acts under Direct tax authorities (The Income Tax Act 1961), Indirect Tax Authorities (Goods and Services Tax Act, 2017 and Service Tax Law), Section 149(1), Section 138, Section 203, Section 149(6), Section 135 of Companies Act, 2013 and Regulation 24(1) of SEBI Regulations, 2015. The penal charges and fines in view of the same are unascertainable at this point of time.
- (ii) The Company has unconfirmed/un-reconciled balances of long standing trade receivables of Rs. 7,77,000, advances of Rs. 1,35,47,647 and trade payables of Rs. 2,74,42,205. Although trade receivables of Rs 7,77,000, advances of Rs. 1,35,00,000 and trade payables of Rs. 74,85,071 are over 48 months, the provisioning/write off of such bad debts and write back of liabilities could not be ascertained.

Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability

of the above said amounts and as these are outstanding for more than 48 months, we are unable to comment on the recoverability of the same.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 35 of the standalone financial statements, which indicate the company's current liabilities exceed its current assets by Rs. 3,343.45 Lakhs. These conditions indicate that a material uncertainty exists that may cast a significant doubt on the company's ability as going concern. However, the Ind AS financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

#### Emphasis of Matter

We draw attention to:

- a) Note 3.1.3 in the Notes to the Standalone Ind AS financial statements which states effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying Statement as at the balance sheet date, the extent of which is significantly dependent on future developments.
- b) Note 36 in the Notes to the Standalone Ind AS financial statements regarding the delisting of Company's shares by the Bombay Stock Exchange
- c) Note 24.2 in the Notes to the Standalone Ind AS financial statements regarding the amount of Rs. 4,65,27,580 receivable from BETA Wind Farm Private Limited has been written off as bad debts as the project did not commence.

Our opinion is not modified in respect of the above matters.



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March 2020. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section, Material Uncertainty Related to Going Concern and Emphasis of matter section, we have determined that there are no other key audit matters to communicate in our report

**Other Matters**

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client location and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

**Information other than the Financial Statements and Auditor's Report thereon**

Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the standalone financial Statement**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they



could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the Emphasis of matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

- (a) We have sought and except for the possible effect of the matter described in the Basis for Qualified opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the effects of the matter described in the Basis of Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act other than the following
- i. As per the information available in the MCA portal Mr. Narayanmurthi, Managing Director, of the company has been disqualified under Section 164(2) of the Companies Ac, 2013. Hence Mr. Narayanmurthi, who was appointed as Managing Director for three years with effect from 30th Nov 2017, cannot be reappointed in this Company on/ after 12th November 2020.
  - ii. As per the information available in the MCA portal Mr. Vikram Mankal, Director of this company has been disqualified under Section 164(2) of the Companies Act, 2013. Further as per the information and explanation provided by the Company and also the records made available, Mr. Vikram Mankal has resigned from the company with effect from 20th March, 2020.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its standalone financial position in the standalone Ind AS financial statements - Refer Note No. 28 to the standalone Ind AS financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489

Place: Chennai  
Date: July 31, 2020

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

The annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Premier Energy and Infrastructure Limited on the standalone Ind AS financial statements for the year ended 31st March 2020, we report that:

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with the program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to size of the company and the nature of its assets.
  - c. According to the information and explanations given to us and on the basis of examination of the records, the company does not hold any immovable property as fixed assets.
- ii. The management has conducted physical verification of inventory which primarily comprise properties for sale at reasonable intervals. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us, the Company has granted no new loans during the year. In respect of loans granted in earlier years:
  - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b. There are no terms and conditions stipulating the repayment of principal and/or payment of interest. During the year there has not been any repayment towards the existing outstanding.
  - c. In the absence of terms and conditions stipulating the repayment of principal and/or payment of interest, we are unable to comment on the amounts overdue. The company has not taken reasonable steps to recover the amount outstanding.
- iv. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. In our opinion and according to the information given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the company for the year under audit.
- vii.
  - a. According to the records of the company and based on the information and explanations given to us, the company is not regular in depositing undisputed statutory dues of service tax, income tax, professional tax with the appropriate authorities. Further, as explained to us, undisputed statutory dues of Service Tax Rs. 1,84,41,731 (for which the company has opted for the Sabka Vishwas Scheme under the service tax laws), Professional Tax of Rs. 82,447, Income Tax of Rs. 5,91,58,585 and Tax Deducted at Source payable Rs. 4,34,956 which were in arrears as at 31st March, 2020 for a period of more than 6 months from the date they become payable.
  - b. According to the information and explanations given to us, there were no amounts that have not been deposited on account of dispute with any statutory authorities other than the following amounts:

Nature of Demand	Asst. Year / (F.E)	Amount	Demand raised by	Appeal pending before
Income Tax	2015-16 (FY: 2014-15)	5,21,11,390	DCIT, Corp, Cir. 5(2), Chennai	CIT (A)-1, Chennai
Income Tax	2017-18 (FY:2016-17)	2,13,20,297	DCIT, Corp, Cir. 5(2), Chennai	CIT (A)-1, Chennai



viii. According to the information and explanations given to us and based on the audit procedures, there were instances of default in repayment of dues to banks and financial institutions which are as follows:

<b>Small Industries Development Bank of India</b>					
<b>Amount in Rs.</b>	<b>Due Date</b>	<b>Date of Payment</b>	<b>Amount in Rs.</b>	<b>Due Date</b>	<b>Date of Payment</b>
4,30,000	10.02.16	Not Paid	8,33,000	10.03.18	Not Paid
8,33,000	10.03.16	Not Paid	8,33,000	10.04.18	Not Paid
8,33,000	10.04.16	Not Paid	8,33,000	10.05.18	Not Paid
8,33,000	10.05.16	Not Paid	8,33,000	10.06.18	Not Paid
8,33,000	10.06.16	Not Paid	8,33,000	10.07.18	Not Paid
8,33,000	10.07.16	Not Paid	8,33,000	10.08.18	Not Paid
8,33,000	10.08.16	Not Paid	8,33,000	10.09.18	Not Paid
8,33,000	10.09.16	Not Paid	8,33,000	10.10.18	Not Paid
8,33,000	10.10.16	Not Paid	8,33,000	10.11.18	Not Paid
8,33,000	10.11.16	Not Paid	8,33,000	10.12.18	Not Paid
8,33,000	10.12.16	Not Paid	8,33,000	10.01.19	Not Paid
8,33,000	10.01.17	Not Paid	8,33,000	10.02.19	Not Paid
8,33,000	10.02.17	Not Paid	8,33,000	10.03.19	Not Paid
8,33,000	10.03.17	Not Paid	8,33,000	10.04.19	Not Paid
8,33,000	10.04.17	Not Paid	8,33,000	10.05.19	Not Paid
8,33,000	10.05.17	Not Paid	8,33,000	10.06.19	Not Paid
8,33,000	10.06.17	Not Paid	8,33,000	10.07.19	Not Paid
8,33,000	10.07.17	Not Paid	8,33,000	10.08.19	Not Paid
8,33,000	10.08.17	Not Paid	8,33,000	10.09.19	Not Paid
8,33,000	10.08.17	Not Paid	8,33,000	10.10.19	Not Paid
8,33,000	10.09.17	Not Paid	8,33,000	10.11.19	Not Paid
8,33,000	10.10.17	Not Paid	8,33,000	10.12.19	Not Paid
8,33,000	10.11.17	Not Paid	8,33,000	10.01.20	Not Paid
8,33,000	10.12.17	Not Paid	8,33,000	10.02.20	Not Paid
8,33,000	10.01.18	Not Paid	8,33,000	10.03.20	Not Paid
8,33,000	10.02.18	Not Paid			

<b>India bulls Housing Finance Limited</b>		
<b>Amount in Rs.</b>	<b>Due Date</b>	<b>Date of Payment</b>
5,84,836	05.02.20	Not Paid
5,84,836	05.03.20	Not Paid

- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 4 (xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable to the company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489

Place: Chennai  
Date: July 31, 2020



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

The annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Premier Energy and Infrastructure Limited on the standalone Ind AS financial statements for the year ended 31st March, 2020.

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of PREMIER ENERGY & INFRASTRUCTURE LIMITED (the “Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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### Qualified Opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at March 31, 2020 in respect of provisioning of overdue receivables and provisioning of advances outstanding for a period of more than 48 months, which could potentially result in the Company not recognizing a provision for the said receivables and advances and non-provisioning of penalties which are likely to arise due to non-compliances of various statutes.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

### Opinion

In our opinion, the Company has, in all material respects, maintained internal financial controls with reference to financial statements as of March 31, 2020, based on the

internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of the Company, and the material weakness affects our opinion on the Standalone financial statements of the Company.

**For A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489

Place: Chennai  
Date: July 31, 2020



## Balance Sheet as at March 31, 2020

All amounts are in Rs unless otherwise stated

	Note No	As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	13,857	32,589
(b) Financial Assets			
(i) Investments			
a) Investments in Subsidiaries	5.1	687,868,768	687,868,768
b) Other Investments	5.2	1	1
(ii) Loans	6	13,547,647	13,514,706
(iii) Other financial assets		-	-
(c) Other non-current assets	7	56,000,000	20,000,000
<b>Total Non - Current Assets</b>		<b>757,430,273</b>	<b>721,416,064</b>
<b>Current assets</b>			
(a) Inventory	8	92,470,000	92,470,000
(b) Financial assets			
(i) Trade receivables	9	777,000	66,403,246
(ii) Cash and cash equivalents	10	119,982	109,612
(c) Other current assets	7	44,877	211,417
<b>Total current assets</b>		<b>93,411,859</b>	<b>159,194,275</b>
<b>Total assets</b>		<b>850,842,132</b>	<b>880,610,339</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	11	413,500,600	413,500,600
(b) Other equity	12	(84,731,836)	(40,380,325)
<b>Total Equity</b>		<b>328,768,764</b>	<b>373,120,275</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	94,236,776	104,594,387
(b) Provisions	14	80,229	(52,903)
<b>Total Non - Current Liabilities</b>		<b>94,317,005</b>	<b>104,541,484</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	117,871,007	65,577,647
(ii) Trade payables	16	27,442,205	75,448,447
(iii) Other financial liabilities	17	157,993,283	132,276,956
(c) Provisions	14	529,132	7,383,532
(b) Current Tax Liability (Net)	18	59,158,585	59,152,302
(d) Other current liabilities	19	64,762,151	63,109,696
<b>Total Current Liabilities</b>		<b>427,756,363</b>	<b>402,948,580</b>
<b>Total Liabilities</b>		<b>522,073,368</b>	<b>507,490,065</b>
<b>Total Equity and Liabilities</b>		<b>850,842,132</b>	<b>880,610,339</b>

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report attached.

for **A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489  
Place : Chennai  
Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**  
Managing Director  
DIN: 00332455  
**A Sriram**  
Chief Financial Officer

**K N Narayanan**  
Director  
DIN: 01543391

## Statement of Profit and Loss for the year ended March 31, 2020

All amounts are in Rs unless otherwise stated

	Note No.	Year ended 31-Mar-20	Year ended 31-Mar-19
I Revenue from Operations		-	16,341
II Other Income	20	37,028	-
<b>III Total Income (I+II)</b>		<b>37,028</b>	<b>16,341</b>
<b>IV Expenses</b>			
Employee benefit expense	21	(1,469,793)	8,501,934
Finance costs	22	24,779,922	21,571,985
Depreciation and amortisation expense	23	18,732	121,584
Other expenses	24	54,090,207	44,374,425
<b>Total expenses (IV)</b>		<b>77,419,068</b>	<b>74,569,927</b>
<b>V Profit/(loss) before Exceptional items &amp; tax (III-IV)</b>		<b>(77,382,040)</b>	<b>(74,553,586)</b>
VI Exceptional items	30	(33,587,346)	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(43,794,694)</b>	<b>(74,553,587)</b>
<b>VIII Tax expense</b>			
(1) Current tax	25	-	(5,835,891)
(2) Deferred tax		-	-
		-	(5,835,891)
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(43,794,694)</b>	<b>(68,717,696)</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)	27	556,817	1,586,053
<b>X Total comprehensive income for the period (A (i-ii)+B(i-ii))</b>		<b>556,817</b>	<b>1,586,053</b>
<b>XI Total comprehensive income for the period (IX-X)</b>		<b>(44,351,511)</b>	<b>(70,303,749)</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		(44,351,511)	(70,303,749)
Non controlling interests		-	-
		<b>(44,351,511)</b>	<b>(70,303,749)</b>
Other comprehensive income for the year attributable to:			
Owners of the Company		-	-
		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		(44,351,511)	(70,303,749)
		<b>(44,351,511)</b>	<b>(70,303,749)</b>
<b>Earnings per equity share (for continuing operation):</b>	26		
Basic (in Rs.)		(1.07)	(1.70)
Diluted (in Rs.)		(1.07)	(1.70)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report attached.

for **A N Jambunathan & Co**

Chartered Accountants

Firm Registration NO. 001250S

**R Ramakrishnan**

Partner

M.No. 205489

Place : Chennai

Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**

Managing Director

DIN: 00332455

**A Sriram**

Chief Financial Officer

**K N Narayanan**

Director

DIN: 01543391





## Cash Flow Statement as on March 31, 2020

All amounts are in Rs unless otherwise stated

	Note No	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flows from operating activities</b>			
Profit before tax for the year		(44,351,511)	(76,139,640)
Adjustments for:			
Depreciation and amortisation of non-current assets	23	18,732	121,584
Finance costs recognised in profit or loss	22	24,774,970	21,569,802
Movements in working capital:			
(Increase)/decrease in trade and other receivables	9	65,626,246	69,797,410
(Increase)/decrease in other assets	7	(35,833,460)	(19,859,711)
Decrease in trade and other payables	16	(48,006,242)	(8,542,353)
Increase/(decrease) in provisions	14	(6,721,268)	4,669,336
(Decrease)/increase in other liabilities	19	1,652,454	(25,595,730)
Cash generated from operations		(42,840,079)	(33,979,302)
Income taxes paid	18	6,283	314,447
Net cash generated by operating activities		(42,833,796)	(33,664,855)
<b>Cash flows from investing activities</b>			
Payments to acquire financial assets / Refund of Rental Advance		-	-
Impairment of Investments		-	-
Payments for property, plant and equipment		-	-
Net cash (used in)/generated by investing activities		-	-
<b>Cash flows from financing activities</b>			
Proceeds from long term borrowings	13	(10,357,611)	(24,540,121)
Proceeds from loans	6	(32,941)	1,911,044
Proceeds from short term borrowings	15	52,293,359	44,848,552
Proceeds from other financial liabilities	17	25,716,327	33,001,435
Interest paid	21	(24,774,970)	(21,569,802)
Net cash used in financing activities		42,844,164	33,651,109
Net increase in cash and cash equivalents		10,370	(13,746)
Cash and cash equivalents at the beginning of the year	10	109,612	123,358
<b>Cash and cash equivalents at the end of the year</b>		119,982	109,612
<b>Cash and cash equivalents as per Balance Sheet</b>		119,982	109,612

In terms of our report attached.  
**for A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489  
Place : Chennai  
Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**  
Managing Director  
DIN: 00332455  
**A Sriram**  
Chief Financial Officer

**K N Narayanan**  
Director  
DIN: 01543391

## Statement of changes in equity for the year ended March 31, 2020

All amounts are in Rs unless otherwise stated

### A. Equity Share Capital

	Note No.	Amount
<b>As at April 1, 2018</b>		413,500,600
Changes in equity share capital		-
<b>As at April 1, 2019</b>		413,500,600
Changes in equity share capital		-
As at March 31, 2020	11	413,500,600

### B. Other Equity

	Note No.	Reserves & Surplus					Total other equity
		Securities Premium reserve	Capital Reserve	General Reserve	Profit & Loss Account	Other Comprehensive Income	
<b>Balance at April 1, 2018</b>		950,864,127	146,827,447	12,883,501	(1,083,113,559)	2,461,908	29,923,424
Profit for the year		-	-	-	(68,717,696)		(68,717,696)
Other comprehensive income		-	-	-	-	(1,586,053)	(1,586,053)
<b>Balance at April 1, 2019</b>		950,864,127	146,827,447	12,883,501	(1,151,831,255)	875,855	(40,380,325)
Profit for the year		-	-	-	(43,794,694)	-	(43,794,694)
Other comprehensive income		-	-	-	-	(556,817)	(556,817)
<b>Balance at March 31, 2020</b>	12	950,864,127	146,827,447	12,883,501	(1,195,625,949)	319,038	(84,731,836)



**Notes to the financial statements for the year ended March 31, 2020**

All amounts are in Rs unless otherwise stated

**1 General Information**

Premier Energy and Infrastructure Limited (PEIL) ("the company") is a public limited group incorporated and domiciled in India and has its registered office at Ground Floor, Tangy Apartments, 34 Dr P V Cheria Road, Egmore, Chennai 600 008 focused on the Construction, Housing Development and Energy Sector.

The company has its primary listings on the Bombay Stock Exchange of India Limited.

The following are the subsidiaries:

- a) RCI Power Limited - 100 %
- b) RCI Power AP Limited - 100 %
- c) EMAS Engineers & Contractors Pvt Ltd - 50.1 %

**2 Statement of compliance with IND AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules as amended from time to time.

**3 Significant accounting policies**

**3.1 Basis of preparation and presentation**

**Basis of Preparation**

These financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The presentation of the Financial Statements is based on Ind AS Schedule III, which are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

**Basis of Measurement**

The financial statements have been prepared under the historical cost convention, on the accrual basis except for certain financial instruments which are measured at fair values.

All assets and liabilities are classified into current and noncurrent generally based on the nature of product/ activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/ settlement in cash or cash equivalent.

The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**3.1.2 Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities), income and expenses and accompanying disclosures. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Significant accounting judgements, estimates and assumptions used by management are as below:

**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

- Useful lives of Investment Property, Property Plant and Equipment and Intangible Assets.
- Defined Benefit Obligation
- Impairment of Financial Assets
- Fair value measurements.

**3.1.3 Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, and investment in associates. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**Summary of Significant Accounting Policies****3.2 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**3.3 Investments in subsidiaries, associates and joint ventures**

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, The difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.



**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**3.4 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1 - Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- > Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

**3.5 Revenue recognition**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and similar allowances.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

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

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

**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

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.

**3.6 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**3.7 Borrowings and Borrowing costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**3.8 Employee benefits**

Employee benefits include gratuity and compensated absences.

**a. Short-term obligations**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur

**b. Long-term employee benefit obligations**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**c. Post-employment obligations**

The Group operates the following postemployment schemes:

**i. Defined Benefit Plan:**

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss. Remeasurement gains and loss arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

**3.9 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**3.9.1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3.9.2 Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3.10 Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**3.11 Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shutdown and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided over the useful life of the assets. Useful life as provided under Schedule II of the companies Act 2013, is considered. Residual value for all assets is considered at 5% of original cost. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life. Except for assets in respect of which no extra shift depreciation is permitted as per schedule II of the Act, depreciation is charged in relation to the number of shifts operated.

Estimated useful lives of the assets are as follows:

S. No.	Asset	Method of depreciation	Actual useful life considered (In Years) (Useful Life as per Schedule II of the Act)
1	Plant & Machinery	Straight Line Method	10' (15)
2	Furniture & Fixtures	Straight Line Method	10' (15)
3	Office Vehicle	Straight Line Method	10' (15)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.





**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**3.12 Impairment of tangible and intangible assets carried at cost**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**3.13 Provisions and Contingencies**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of amounts 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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extreme rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**3.14 Segmental Reporting:**

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

**3.15 Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

The company has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**3.16 Financial instruments**

Initial Recognition

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the

**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**3.16.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

The Company classifies its financial assets in the following categories:

- i) Financial assets at amortised cost- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as noncurrent assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 month period, carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) – All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in Other Comprehensive Income (OCI). The accumulated gains or losses are recognised in OCI are reclassified to retained earnings on sale of such investment.
- iii) Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets which are not classified in any of the categories above measured at FVTPL. These include surplus funds invested in mutual funds etc.
- iv) Impairment of financial assets - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

**3.17 Financial liabilities and equity instruments****3.17.1 Classification as debt or equity**

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**3.17.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.



**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.17.3 Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**3.17.3.1 Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**3.17.3.2 Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**3.18 Earnings per Share**

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

**3.19 Statement of cash flows**

Statement of Cash flows is prepared under Ind AS 7 'Statement of Cashflows' specified under Section 133 of the Act. Cash flows are reported using the indirect method, whereby profit / (loss) before tax and is adjusted for the effects of transactions of non-cash nature.

Significant management judgement in applying accounting policies and estimation uncertainty.

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.



**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**4 Property, plant and equipment and capital work-in-progress**

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Plant and Machinery	4,091	4,073
Vehicles	-	2,714
Furniture and Fixtures	9,766	25,802
	<u>13,857</u>	<u>32,589</u>

Description of Assets	Plant and Equipment	Vehicles	Furniture and Fixtures	Total
<b>I. Cost or deemed cost</b>				
Balance as at 1 April, 2019	224,338	788,700	42,200	1,055,238
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 31 March, 2020</b>	<u>224,338</u>	<u>788,700</u>	<u>42,200</u>	<u>1,055,238</u>
<b>II. Accumulated depreciation and impairment</b>				
Balance as at 1 April, 2019	220,265	785,986	16,398	1,022,649
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	(18)	2,714	16,036	18,732
<b>Balance as at 31 March, 2020</b>	<u>220,247</u>	<u>788,700</u>	<u>32,434</u>	<u>1,041,381</u>
<b>III. Carrying Amount</b>				
Balance at April 1, 2019	4,073	2,714	25,802	32,589
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation Expense	(18)	2,714	16,036	18,732
<b>Balance as at 31 March, 2020</b>	<u>4,091</u>	<u>-</u>	<u>9,766</u>	<u>13,857</u>

Description of Assets	Plant and Equipment	Vehicles	Furniture and Fixtures	Total
<b>I. Cost or deemed cost</b>				
Balance as at 1 April, 2018	224,338	788,700	42,200	1,055,238
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at 31 March, 2019</b>	<u>224,338</u>	<u>788,700</u>	<u>42,200</u>	<u>1,055,238</u>
<b>II. Accumulated depreciation and impairment</b>				
Balance as at 1 April, 2018	208,377	692,326	362	901,065
Eliminated on disposal of assets	-	-	-	-
Depreciation expense	11,888	93,660	16,036	121,584
<b>Balance as at 31 March, 2019</b>	<u>220,265</u>	<u>785,986</u>	<u>16,398</u>	<u>1,022,649</u>
<b>III. Carrying Amount</b>				
Balance as at 1 April, 2018	15,961	96,374	41,838	154,173
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation Expense	11,888	93,660	16,036	121,584
<b>Balance as at 31 March, 2019</b>	<u>4,073</u>	<u>2,714</u>	<u>25,802</u>	<u>32,589</u>

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**5.1 Investments in Subsidiaries****Break-up of investments in subsidiaries (carried at cost)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	QTY	Amounts	QTY	Amounts
UnQuoted Investments (all fully paid)				
(a) Investments in Equity Instruments				
Emas Engineers & Contractors Pvt Ltd (EMAS)	6,424,050	1	6,424,050	1
RCI Power Limited - Refer Note 5.1(i)	15,000,000	609,280,591	15,000,000	609,280,591
RCI Power AP Limited - Refer Note 5.1(ii)	50,000	78,588,176	50,000	78,588,176
<b>Total Aggregate Unquoted Investments</b>	<b>21,474,050</b>	<b>687,868,768</b>	<b>21,474,050</b>	<b>687,868,768</b>
Aggregate carrying value of unquoted investments in subsidiaries		<b>687,868,768</b>		687,868,768
Note 5.1 (i): Includes 1,000 shares held by nominee (Previous Year 1,000 shares)				
Note 5.1 (ii): Includes 6 shares held by nominee (Previous Year 6 shares)				

**5.2 Other Investments**

Particulars	As at March 31, 2020		As at March 31, 2019	
	QTY	Amounts	QTY	Amounts
<b>Unquoted Investments (all fully paid)</b>				
Investments in Equity Instruments				
Haldia Coke & Chemicals Private Limited - Refer Note 5.2 (i)	13,750,000	1	13,750,000	1
<b>Total Aggregate Unquoted Investments</b>	<b>13,750,000</b>	<b>1</b>	<b>13,750,000</b>	<b>1</b>
Aggregate carrying value of unquoted investments		<b>1</b>		<b>1</b>
Aggregate amount of impairment in value of investments		<b>527,587,499</b>		527,587,499
Note 5.2 (1)				
Includes 91,74,860 equity shares pledged with a lender for amounts borrowed by the investee Company. Refer Note 29(b)				

**6 Loans**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Unsecured, considered good				
Advance to others:				
Considered good	13,547,647	-	13,514,706	-
Less : Provision for doubtful advances	-	-	-	-
<b>Total</b>	<b>13,547,647</b>	<b>-</b>	<b>13,514,706</b>	<b>-</b>



**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**7 Other Assets**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Advances recoverable in cash or in kind	-	36,952	-	84,952
Deposit (Refer Note 29(c))	56,000,000	-	20,000,000	-
Prepaid Expense	-	7,925	-	126,465
	<u>56,000,000</u>	<u>44,877</u>	<u>20,000,000</u>	<u>211,417</u>

**8 Inventories**

	As at 31-Mar-20	As at 31-Mar-19
Land	92,470,000	92,470,000
(At lower of cost and net realizable value)		
	<u>92,470,000</u>	<u>92,470,000</u>

**9 Trade receivables**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Unsecured, considered good	-	777,000	-	66,403,246
	-	777,000	-	66,403,246

**10 Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

	As at 31 March 2020	As at 31 March 2019
Balances with Banks		
Other bank balances	119,982	109,612
Cash on hand	-	-
Cash and cash equivalents as per balance sheet	<u>119,982</u>	<u>109,612</u>
<b>Cash and cash equivalents as per statement of cash flows</b>	<u>119,982</u>	<u>109,612</u>

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**11 Equity Share Capital**

	As at 31-03-2020	As at 31-03-2019
<b>Authorised Share capital :</b>		
44,150,000 fully paid equity shares of Re.10 each	441,500,000	441,500,000
<b>Issued and subscribed capital comprises:</b>		
41,350,060 fully paid equity shares of Re.10 each (as at March 31, 2020: 41,350,060; as at April 1, 2019: 41,350,060)	413,500,600	413,500,600
	<u>413,500,600</u>	<u>413,500,600</u>

**11.1 Fully paid equity shares**

	Number of shares	Share capital (Amount)
Balance at March 31, 2019	41,350,060	413,500,600
Movements	-	-
<b>Balance at March 31, 2020</b>	<u>41,350,060</u>	<u>413,500,600</u>

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

**11.2 Details of shares held by each shareholder holding more than 5% shares**

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	% holding of shares	Number of Shares held	% holding of shares
<b>Fully paid equity shares</b>				
Shri Housing Pvt Ltd	11,100,000	26.84%	11,100,000	26.84%
Vidya Narayanamurthi (On behalf of Shriram Auto Finance)	10,000,000	24.18%	10,000,000	24.18%
Vathsala Ranganathan (On behalf of Shriram Auto Finance)	3,462,515	8.37%	3,462,515	8.37%
Vaata Infra Limited	4,000,000	9.67%	4,000,000	9.67%
Sita Srinivasan	2,553,725	6.18%	2,553,725	6.18%

**12 Other equity**

	Note	As at 31-Mar-20	As at 31-Mar-19
Securities premium reserve		950,864,127	950,864,127
Profit & Loss Account	12.1	(1,195,625,949)	(1,151,831,255)
Other Comprehensive Income		319,038	875,855
Capital Reserve		146,827,447	146,827,447
General Reserve		12,883,501	12,883,501
		<u>(84,731,836)</u>	<u>(40,380,325)</u>





**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**12.1 Profit & Loss Account**

	<b>Year ended 31-Mar-20</b>	Year ended 31-Mar-19
Balance at beginning of year	<b>(1,151,831,255)</b>	(1,083,113,559)
Net Loss for the year as per the Statement of Profit and Loss	<b>(43,794,694)</b>	(68,717,696)
<b>Balance at end of year</b>	<b>(1,195,625,949)</b>	(1,151,831,255)

**12.2 Other Comprehensive Income**

	<b>Year ended 31-Mar-20</b>	Year ended 31-Mar-19
Balance at beginning of year	<b>875,855</b>	2,461,908
Net Changes for the year as per the statement of Profit and Loss	<b>(556,817)</b>	(1,586,053)
<b>Balance at end of year</b>	<b>319,038</b>	875,855

**13. Borrowings**

	<b>As at March 31, 2020</b>		As at March 31, 2019	
	<b>Non Current</b>	<b>Current</b>	Non Current	Current
<b>Secured - at amortised cost</b>				
(i) Term loans				
from banks (Refer note (i) below)	<b>35,957,302</b>	-	45,953,302	-
<b>Unsecured - at amortised cost</b>				
(i) Term loans				
Related Parties (Refer note (13.1(i) below)	<b>58,279,474</b>	-	58,062,565	-
Others (Refer 13.1(ii) below)	-	-	578,520	-
<b>Total</b>	<b>94,236,776</b>	-	104,594,387	-

**13.1 Summary of borrowing arrangements**

- (i) (a) The company has availed a term loan of Rs.10 crores from Small Industries Development Bank of India (SIDBI), repayable in 120 monthly installments, carrying interest rate of 12.75% per annum.
- (b) A first charge by way of mortgage in favour of SIDBI has been created by the company on the immovable properties located at Door No.62 & 63, Luz Church Road, comprised in survey numbers 1652/14, 1652/16 part, Mylapore Village and Triplicane - Mylapore tauk, Chennai district, Chennai - 600 004, admesuring 5919 sq.ft.
- (c) Pending registration, no specific charge has been created on the undivided portion either by the company or by M/s. PL Finance and Investments Limited.
- (d) Additionally secured by irrevocable and unconditional corporate guarantees by the company and M/s. Shri Housing Private Limited and M/s. PL Finance and Investments Limited. Further guaranteed by M/s. Shriram Auto Finance (Firm) and by a Director of the company.

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

(e) Period and amount of continuing default:

No of Installments - 51 (Monthly)

Principal Overdue - Rs. 4,20,80,000

Interest overdue - Rs. 8.88.23.745

(ii) (a) The company has availed a term loan of Rs.2.57 Crores from M/s. Indiabulls Housing Finance Limited (IHFL), repayable in 60 equated monthly installments effective May 2015, carrying adjustable rate of interest of IHFL-LFRR base rate less 5.75% per annum.

(b) Secured by immovable property belonging to M/s. Chennai Power &amp; Coke Private Limited.

(c) Additionally secured by corporate guarantees by the company and M/s. Chennai Power Coke &amp; Private Limited. Further Guaranteed by a director and a relative of a director.

(d) Period and amount of continuing default :

No of Installments - 2 (Monthly)

Principal Overdue - Rs. 11,36,602

Interest overdue - Rs. 25,67,655

**14 Provisions**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Employee benefits	80,229	529,132	(52,903)	7,383,532
<b>Total</b>	<b>80,229</b>	<b>529,132</b>	<b>(52,903)</b>	<b>7,383,532</b>

**15 Short Term Borrowings**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Loan from related party	-	117,871,007	-	65,577,647
<b>Total</b>	<b>-</b>	<b>117,871,007</b>	<b>-</b>	<b>65,577,647</b>

**16 Trade Payables**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Due to Micro Small Medium Enterprises Creditors				
Due to Other than Micro Small Medium Enterprises Creditors	-	27,442,205	-	75,448,447
<b>Total</b>	<b>-</b>	<b>27,442,205</b>	<b>-</b>	<b>75,448,447</b>

Confirmations of balances of creditors are yet to be received, though the letters of confirmations were sent to them. The balances adopted are as appear in the books of accounts of the Company.



**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**17 Other financial liabilities**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Interest accrued and due	-	91,391,400	-	7,326,977
Interest accrued and not due	-	1,399,377	-	1,280,003
Accrued Employee Benefits		5,017,607		7,417,574
Accrued Expenses		6,391,778		6,391,778
Current maturities of long-term debt	-	53,793,122	-	49,860,625
<b>Total</b>	-	<b>157,993,283</b>	-	<b>132,276,956</b>

**18 Current tax assets and liabilities**

	As at 31-Mar-20	As at 31-Mar-19
<b>Current tax assets</b>		
Tax refund receivable	1,529,543	1,529,543
	<b>1,529,543</b>	<b>1,529,543</b>
<b>Current tax liabilities</b>		
Provision for Tax	60,688,128	60,681,845
	<b>59,158,585</b>	<b>59,152,302</b>

**19 Other Current Liabilities**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
(a) Advance from Customers	-	37,973,647	-	9,000,000
(b) Statutory dues payable	-	26,788,504	-	54,109,696
<b>Total</b>	-	<b>64,762,151</b>	-	<b>63,109,696</b>

	Year ended March 31, 2020	Year ended March 31, 2019
<b>20 Other Income</b>		
Interest Income	37,028	16,341
	<b>37,028</b>	<b>16,341</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	1,033,880	7,387,637
Contribution to provident and other funds (see note 28)*	(2,519,514)	1,080,360
Staff welfare expenses	15,841	33,937
	<b>(1,469,793)</b>	<b>8,501,934</b>

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
<b>22 Finance costs</b>		
Continuing operations		
(a) Interest costs :-		
Interest on bank overdrafts and loans (other than those from related parties)	24,774,970	21,569,802
<b>Total interest expense for financial liabilities not classified as at FVTPL</b>	<b>24,774,970</b>	<b>21,569,802</b>
(b) Other borrowing costs :-	4,952	2,183
	<b>24,779,922</b>	<b>21,571,985</b>
<b>23 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment pertaining to continuing operations	18,732	121,584
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>18,732</b>	<b>121,584</b>
<b>24 Other expenses</b>		
Payment to Auditors	900,000	1,500,000
Communication Expenses	446,429	473,776
Professional Charges	4,822,813	4,152,182
Listing & Depository Fees	139,196	409,679
Repairs and maintenance	76,475	205,071
Miscellaneous Expenses	416,677	502,239
Printing & Stationery	327,748	225,358
Rent	12,000	12,000
Power and fuel	66,660	73,315
Travelling & Conveyance	354,629	555,920
Interest on Statutory Payment	-	7,724,758
Bad Debts Written off (Refer Note 24.2)	46,527,580	21,621,626
Penalty to BSE	-	6,918,500
	<b>54,090,207</b>	<b>44,374,425</b>
<b>24.1 Payments to auditors</b>		
a) For statutory audit	900,000	1,500,000
	<b>900,000</b>	<b>1,500,000</b>
<b>24.2 Bad Debts Written Off</b>	-	-
The amount of Rs 4,65,27,580/- receivable from BETA Wind Farm Private Limited has been written off as bad debts as the project did not commence.		



**Notes to the financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

	<b>Year ended March 31, 2020</b>	Year ended March 31, 2019
<b>25 Income taxes relating to continuing operations</b>		
<b>25.1 Income tax recognised in profit or loss</b>		
<b>Current tax</b>		
In respect of the current year	-	-
In respect of prior years	-	(5,835,891)
	<u>-</u>	<u>(5,835,891)</u>
<b>26 Earnings per Share</b>		
	<b>31-Mar-2020</b>	31-Mar-2019
Basic earnings per share		
From continuing operations	(1.07)	(1.70)
<b>Total basic earnings per share</b>	<u>(1.07)</u>	<u>(1.70)</u>
Diluted earnings per share		
From continuing operations	(1.07)	(1.70)
<b>Total diluted earnings per share</b>	<u>(1.07)</u>	<u>(1.70)</u>
<b>26.1 Basic earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.		
Profit for the year attributable to owners of the Company	(44,351,511)	(70,303,749)
Earnings used in the calculation of basic earnings per share	(44,351,511)	(70,303,749)
Earnings used in the calculation of basic earnings per share from continuing operations	<u>(44,351,511)</u>	<u>(70,303,749)</u>
Weighted average number of equity shares for the purposes of basic earnings per share	41,350,060	41,350,060
<b>26.2 Diluted earnings per share</b>		
The earnings used in the calculation of diluted earnings per share are as follows.		
Earnings used in the calculation of basic earnings per share	(44,351,511)	(70,303,749)
Earnings used in the calculation of diluted earnings per share Profit for the year from discontinued operations attributable	(44,351,511)	(70,303,749)
<b>Earnings used in the calculation of diluted earnings per share from continuing operations</b>	<u>(44,351,511)</u>	<u>(70,303,749)</u>
The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
Weighted average number of equity shares used in the calculation of basic earnings per share	41,350,060	41,350,060
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share</b>	<u>41,350,060</u>	<u>41,350,060</u>

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**27 Employee benefit plans****Defined Benefit plans**

The Company's gratuity scheme is a defined benefit plan. The present value of obligation as at the end of the financial year is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment as at the end of the financial year is also recognised in the same manner as gratuity.

**As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:**

	31-Mar-2020		31-Mar-2019	
Expense to be recognised in P&L	154,063		521,734	
<b>Principal Actuarial Assumptions:</b>	<b>Gratuity Plan (Unfunded)</b>		<b>Compensated Absences - Earned Leave (Unfunded)</b>	
<b>(Expressed as weighted averages)</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Discount rate(s)	4.52%	6.54%	4.52%	6.54%
Expected rate(s) of salary increase	10%	10%	10%	10%
Average Age	59.83	60.1	59.83	59.5
Attrition Rate	30%	30%	30%	30%
Proportion of Leave availment	NA	NA	5%	5%
Proportion of encashment during service	NA	NA	0%	0%
Proportion of encashment on separation	NA	NA	95%	95%

\* Based on India's standard mortality table with modification to reflect expected changes in mortality / others.

**Expenses Recognised in the Statement of Profit and Loss:**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Current service cost	19,771	103,492	21,978	244,195
Net interest expense	22,265	63,797	90,050	110,251
Components of defined benefit costs recognised in profit or loss	42,036.00	167,289.00	112,027	354,445
Remeasurement on the net defined benefit liability:				
Net actuarial (gains) / losses on plan obligation	304,062	(62,426)	(49,392)	1,648,479
Components of defined benefit costs recognised in other comprehensive income	304,062	(62,426)	(49,392)	1,648,479
Total	346,098	104,863	62,635	2,002,924



**Notes to the financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

**Amounts Recognised in the Balance Sheet and Related Analysis**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Present value of defined benefit obligation	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719
Fair value of plan assets	-	-	-	-
Amount determined under para 63 of Ind AS19	-	-	-	-
Net liability arising from defined benefit obligation	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719

**Change in the Present Value the Obligation (PVO)**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Opening defined benefit obligation	<b>1,080,360</b>	975,497	<b>3,688,719</b>	1,685,795
Current service cost	<b>19,771</b>	103,492	<b>21,978</b>	244,195
Interest cost	<b>22,265</b>	63,798	<b>90,050</b>	110,251
Remeasurement (gains)/losses:	<b>304,062</b>	(62,426)	<b>(49,392)</b>	1,648,479
Benefits paid	<b>(1,175,520)</b>	-	<b>(3,392,931)</b>	-
Closing defined benefit obligation	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719

**Changes in the Fair Value of the Plan Assets**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Opening fair value of plan assets	-	-	-	-
Interest income	-	-	-	-
Employer direct benefit payments	<b>1,175,520</b>	-	<b>3,392,931</b>	-
Benefits paid	<b>(1,175,520)</b>	-	<b>(3,392,931)</b>	-
Closing fair value of plan assets	-	-	-	-

**Movements In The Liability Recognized In The Balance Sheet**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Opening net liability adjusted for effect of balance sheet limit	<b>1,080,360</b>	975,497	<b>3,688,719</b>	1,685,795
Amount recognised in Profit and Loss	<b>42,036</b>	167,289	<b>112,027</b>	354,445
Amount recognised in OCI	<b>304,062</b>	(62,426)	<b>(49,392)</b>	1,648,479
Contribution paid	<b>(1,175,520)</b>	-	<b>(3,392,931)</b>	-
Closing net liability	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**Sensitivity Analyses**

	Rate		Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
<i>Liability when:</i>						
A. Discount Rate + 100 BP	5.52%	7.54%	250,134	970,020	351,995	1,675,891
B. Discount Rate - 100 BP	3.52%	5.54%	251,755	981,096	365,043	1,695,893
C. Salary Escalation Rate +100 BP	11%	11%	251,667	980,912	363,690	1,692,712
D. Salary Escalation Rate -100 BP	9%	9%	250,208	970,101	353,200	1,678,883
E. Attrition rate +100 BP	31%	31%	250,844	974,805	353,946	1,684,913
F. Attrition rate -100 BP	29%	29%	251,031	976,192	362,909	1,686,678

**Expected Benefit Payments in Following Years**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Year 1	<b>170,709</b>	826,811	<b>358,423</b>	1,669,015
Year 2	<b>80,228</b>	101,059	-	168,580
Year 3	-	47,628	-	80,918
Year 4	-	-	-	-
Year 5	-	-	-	-
Next 5 Years	-	-	-	-

**28 Related party Disclosures****Names of related parties and related party relationship**

<b>Names of the related party</b>	<b>Nature and Description of the relationship</b>
SR Fabricators Pvt Ltd	Director is the Director for this Company
Crimson Investmets Ltd	Director is the Director for this Company
Emas Engineers & Contractors Pvt Ltd.	Subsidiary
RCI Power Ltd.	Subsidiary
RCI Power (AP) Ltd.	Subsidiary
RCI Wind Farm 30 MW Pvt. Ltd.	Step down subsidiaries
RCI Wind Farm 50 MW Pvt. Ltd.	Step down subsidiaries
Shri Housing Pvt. Ltd.	Fellow subsidiary
Shriram Auto Finance (Partnership firm)	Holding Company
M Narayanamurthi	Managing Director / Key Management Personnel
R Ramakrishnan	Director
Vikram Mankal	Director
K N Narayanan	Director
A. Sriram	CFO





**Notes to the financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

**Related Party Transactions during the year**

S. No.	Name of the related party	Relationship	Description	Year ended March 31, 2020	Year ended March 31, 2019
1	RCI Power Limited	Subsidiary	Expenses Reimbursed by	-	-
			Loans received	5,081,411	11,506,159
			Loans repaid	5,081,411	17,863,761
2	RCI Power AP Limited	Subsidiary	Expenses Reimbursed by	-	17,295
			Loans received	-	17,295
			Loans repaid		
3	Shri Housing Private Limited	Fellow Subsidiary	Loans received	1,800,000	636,506
			Loans repaid	1,583,091	2,344,494
4	Crimson Investments Ltd.	Common Director	Loans received	52,293,359	44,881,552
			Loans repaid	-	33,000
5	M Narayanamurthi	Managing Director	Salary paid	240,000	240,000
6	A. Sriram	Chief Financial Officer	Salary & Allowances paid	120,000	2,854,200

**Closing Balances of Related Parties**

S. No.	Particulars	Nature	Year ended March 31, 2020	Year ended March 31, 2019
1	Shri Housing Pvt Ltd	Long Term Borrowings	(58,279,474)	(58,062,565)
2	Crimsoin Investments	Short Term Borrowings	(117,871,007)	(65,577,647)
3	Vikram Mankal	Accrued Employee Benefits	(329,156)	(329,156)
4	S. Krishnan	Accrued Employee Benefits	-	(100,000)
5	A. Sriram	Accrued Employee Benefits	(120,000)	(4,291,863)

**29 Contingent Liability**

- a) The Company's land at Door No.62 & 63, Luz Church Road, comprised in survey numbers 1652/14, 1652/25 part, Mylapore Village and Triplicane - Mylapore taluk, Chennai district, Chennai - 600004, purchased during the year 2007-08 (in joint name with another company) has not been registered. Liability towards registration charges for the land is not ascertained and quantified.
- b) The Company has pledged part of its investment of 91,74,860 Equity shares of Haldia Coke and Chemicals Private Limited with a lender for moneys borrowed by the above company. The liability, if any, that may arise on account of the pledge is not quantifiable.
- c) Income Tax Demand on Appeal: Assessment Year 2015-16 the assessment was completed with a demand of Rs. 5,21,10,390. For the Assessment Year 2017-18 the assessment was completed with a demand of Rs. 2,13,16,410/. The company has preferred an appeal with the Commissioner of Income Tax, Chennai and based on advise by its consultants, it does not foresee any material liability on account of the above demand raised by the Income Tax Department.

**Notes to the financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

**30 Exceptional Items:**

- (i) The company has opted for the Sabka Vishwas Scheme under the service tax laws. Accordingly, interest of Rs. 1,95,61,077 is no longer payable and hence the same has been written back in P&L.
- (ii) Based on internal reviews and confirmation from the employees, salaries accrued amounting to Rs. 91,07,216 (including TDS amounting to Rs. 23,45,707) and related interest on TDS amounting to Rs. 49,19,053 are no longer payable.

**31 Details of dues to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006**

The Identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises development Act 2006" is based on the Information available with the management. As certified by the Management, the amounts overdue as on 31st March 2020 (31st March 2019) to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil (Rs. Nil).

**32 Installed capacity, Licensed capacity and Capacity utilisation**

Particulars relating to Installed capacity, Licensed capacity and Capacity Utilisation are not applicable.

**33 Segment Information**

As the Company operates in a single business segment (i.e.) Development and Maintenance of facilities, segmental reporting is not provided.

**34 Operating Leases**

The Holding Company has its office premises under operating lease arrangement which is cancellable at the option of the Company, by providing 3 months prior notice.

**35 Going Concern**

The Company's current liabilities exceeded its net realizable current assets and the company had defaulted in meetings its repayment obligations to its lenders. It has plans to sell its prime asset in the near term and thereby expects to settle all material dues. Further, it is working toward certain strategic alliances which are expected to produce improved business results. Considering these, the management has prepared the financial statements by applying the "Going Concern" assumption.

- 36** The company's shares have been delisted from Trading in Bombay Stock Exchange for non payment of penalty. The company has been asked to resubmit the application for relisting again. The company is in the process of submitting the application for relisting.



**Notes to the financial statements for the year ended March 31, 2020 (continued)**

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**37 Fair value Measurements**

**Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:**

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of current trade receivables, current trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their shortterm nature.

**37.1 Category wise classification of financial instruments is as follows:**

Particulars	Note	As at 31.03.2020	As at 31.03.2019
<b>Financial assets measured at fair value - Level 3</b>			
<b>Non current:</b>			
(i) Other Investments	5.2	1	1
<b>Financial Assets measured at amortised cost</b>			
<b>Non current:</b>			
(i) Loans	6	13,547,647	13,514,706
<b>Current:</b>			
(i) Trade payables	9	777,000	66,403,246
(ii) Cash and cash equivalents	10	119,982	109,612
<b>Financial Assets measured at cost</b>			
<b>Non current:</b>			
(i) Investments			
(a) Investments in Subsidiaries	5.1	687,868,768	687,868,768
<b>Financial Liabilities measured at amortised cost (See Note 36.3)</b>			
<b>Non current:</b>			
(i) Borrowings	13	94,236,776	104,594,387
<b>Current:</b>			
(i) Borrowings	15	117,871,007	65,577,647
(ii) Trade payables	16	27,442,205	75,448,447
(iii) Other financial liabilities	17	157,993,283	132,276,956

**37.2 Financial instrument measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their face values since the Company does not anticipate that the carrying cost would be significantly different from the values that would eventually be received or settled.

**37.3 Financial risk management - objectives and policies**

The Company has a well- managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such

**Notes to the financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

**1. Market risk**

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which result from both its operating and investing activities.

*Interest Rate Risk*

The Company's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the exposure of Company's borrowings to interest rate changes are as follows:

Particulars	31-Mar-2020	31-Mar-2019
Variable rate borrowings	<b>89,750,424</b>	96,392,447

**Sensitivity**

Profit/ loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table below summarises the impact of increase/decrease in interest rates on profit or loss.

Particulars	(Increase) / decrease in Loss by	
	31-Mar-2020	31-Mar-2019
Interest rates- increase by 1%	<b>930,714</b>	992,084
Interest rates- decrease by 1%	<b>(930,714)</b>	(992,084)

**2. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The company has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and lower working capital debt.

**The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.**

Maturities of financial liabilities As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	<b>10,212,909</b>	<b>84,023,867</b>	-	<b>94,236,776</b>
Trade payable	<b>1,436,809</b>	<b>26,005,396</b>	-	<b>27,442,205</b>
Other financial liabilities	<b>204,069,471</b>	<b>66,194,821</b>	<b>5,600,000</b>	<b>275,864,292</b>

  

Maturities of financial liabilities As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	104,594,387	-	104,594,387
Trade payable	75,448,447	-	-	75,448,447
Other financial liabilities	132,276,956	-	-	132,276,956



**Notes to the financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

**3) Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks and other receivables.

Credit risk arising from balances with banks is limited because the counterparties are banks with high credit ratings.

All other financial assets including those past due for each reporting date are of good credit quality.

**Assets under credit risk**

Particulars	31.03.2020	31.03.2019
<b>Non current assets:</b>		
<i>Financial Assets</i>		
Loans	<b>13,547,647</b>	13,514,706
<b>Current assets:</b>		
<i>Financial assets</i>		
Trade receivables	<b>777,000</b>	66,403,246
Cash and cash equivalents	<b>119,982</b>	109,612

**37.4 Capital management**

For the purpose of the Company's capital management, capital includes issued share capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The company has not distributed any dividend to its shareholders. The company monitors net debt to capital ratio i.e., total debt in proportion to its overall financing structure i.e., equity and debt. Total debt comprises of term loans and cash credits. The company manages its capital structure and makes changes to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars		31.03.2020	31.03.2019
<b>Total Equity</b>	i	<b>328,768,764</b>	373,120,276
Total Debt	ii	<b>148,029,898</b>	154,455,012
Cash & Cash Equivalents	iii	<b>119,982</b>	109,612
<b>Net Debt</b>	iv = iii - ii	<b>148,149,879</b>	154,564,624
Total Capital	v = i - iv	<b>476,918,643</b>	527,684,900
<b>Net Debt to capital ratio</b>	iv / v	<b>0.31</b>	0.29

No changes were made in the objectives, policies and processes for managing the capital during the two years ended March 31, 2020 or March 31, 2019.

**Notes to the financial statements for the year ended March 31, 2020** (continued)

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37.5 Pursuant to regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures of amounts at the year end and the maximum amount of loans/ advances/ investments outstanding during the year are as follows:

i) **Amount outstanding at the year end:**

S. No.	Description	Nature	Net Balance as on 31.03.2020	Dr. / Cr.	Net Balance as on 31.03.2019	Dr. / Cr.
1	Small Industries Development Bank of India (SIDBI)	Loan	88,033,302	Cr.	88,833,302	Cr.
2	Indiabulls Housing Finance Limited	Loan	1,717,122	Cr.	7,559,145	Cr.
3	RCI Power Limited	Loan	-	Cr.	-	Cr.
4	Shri Housing Pvt Ltd	Loan	58,279,474	Cr.	58,062,565	Cr.
5	Crimson Investments Limited	Loan	117,871,007	Cr.	65,577,647	Cr.
6	Emass Engineers - Shares	Investment	1	Dr.	1	Dr.
7	Investments - RCI Power AP Ltd	Investment	78,588,176	Dr.	78,588,176	Dr.
8	Investments - RCI Power Limited	Investment	609,280,591	Dr.	609,280,591	Dr.
9	Haldia Coke & Chemicals	Investment	1	Dr.	1	Dr.
10	Emass Engineers & Contractors Pvt Ltd	Advances	-	Dr.	-	Dr.
11	Rci Power (Ap)	Advances	-	Dr.	-	Dr.
12	Front Office Consultants Pvt Ltd	Advances	13,500,000	Dr.	13,500,000	Dr.

ii) **Maximum amount outstanding during the year:**

S. No.	Description	Nature	Maximum amt outstanding as on 31.03.2020	Dr./ Cr.	Maximum amt outstanding as on 31.03.2019	Dr./ Cr.
1	Small Industries Development Bank of India (SIDBI)	Loan	88,833,302	Cr.	88,833,302	Cr.
2	Indiabulls Housing Finance Limited	Loan	8,056,700	Cr.	7,996,351	Cr.
3	RCI Power Limited	Loan	1,216,508	Cr.	17,840,260	Cr.
4	Shri Housing Pvt Ltd	Loan	58,189,392	Cr.	60,199,193	Cr.
5	Crimson Investments Limited	Loan	117,871,007	Cr.	65,677,647	Cr.
6	Emass Engineers - Shares	Investment	1	Dr.	1	Dr.
7	Investments - RCI Power AP Ltd	Investment	78,588,176	Dr.	78,588,176	Dr.
8	Investments - RCI Power Limited	Investment	609,280,591	Dr.	609,280,591	Dr.
9	Inveswtments - Haldia Coke & Chemicals	Investment	1	Dr.	527,587,500	Dr.
10	Emass Engineers & Contractors Pvt Ltd	Advances	-	Dr.	-	Dr.
11	Rci Power (Ap)	Advances	-	Dr.	17,295	Dr.
12	Front Office Consultants Pvt Ltd	Advances	13,500,000	Dr.	13,500,000	Dr.

In terms of our report attached.  
**for A N Jambunathan & Co**  
 Chartered Accountants  
 Firm Registration NO. 001250S

**R Ramakrishnan**  
 Partner  
 M.No. 205489  
 Place : Chennai  
 Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**  
 Managing Director  
 DIN: 00332455  
**A Sriram**  
 Chief Financial Officer

**K N Narayanan**  
 Director  
 DIN: 01543391



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

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the accompanying consolidated financial statements of Premier Energy & Infrastructure Limited (herein referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required; and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, and its consolidated loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- (i) As explained in Note 1B to the consolidated financial statements, the Holding company has not consolidated the Ind AS financial statements of its material subsidiary, EMAS Engineers and Contractors Private Limited as a provisional liquidator has been appointed vide an exparte order of the Honorable High Court of Madras dated 20th December, 2016. This investment is therefore accounted for on a cost basis. As per the Companies Act, 2013 and Ind AS 27, the subsidiary should have been consolidated because it is controlled by the Holding company. Had the subsidiary been consolidated, many elements in the accompanying financial statements would have been materially

affected. The effects on the consolidated Ind AS financial statements of the failure to consolidate have not been determined.

- (ii) The Holding Company is subject to interest liability on unpaid direct tax dues, however the same has neither been provided nor quantified. The holding company has not complied with the Acts under Direct tax authorities (The Income Tax Act 1961), Indirect Tax Authorities (Goods and Services Tax Act, 2017 and Service Tax Law), Section 149(1), Section 138, Section 203, Section 149(6), Section 135 of Companies Act, 2013 and Regulation 24(1) of SEBI Regulations, 2015. The penal charges and fines in view of the same are unascertainable at this point of time.
- (iii) As per Note 7, 11 and 18 to the Consolidated Financial Statements, the Holding Company has unconfirmed/un-reconciled balances of long standing trade receivables of Rs. 54,52,276, advances of Rs. 1,35,47,647 and trade payables of Rs. 2,74,42,205. Although trade receivables of Rs 7,77,000, advances of Rs. 1,35,00,000 and trade payables of Rs. 74,85,071 are over 48 months, the provisioning/write off of such bad debts and write back of liabilities could not be ascertained.

Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amounts and as these are outstanding for more than 48 months, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts as explained in the Note 7, 11 and 18 of the consolidated financial statements.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 35 of the consolidated financial statements, which indicate the holding company's current liabilities exceed its current assets by Rs. 3,343.45 Lakhs. These conditions indicate that a material uncertainty exists that may cast a significant doubt on the holding company's ability as going concern. However, the consolidated financial statements of the group have been prepared on a going concern basis for the reasons stated in the said note.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI')

together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

### Emphasis of Matter

We draw attention to:

- a) Note 3.2.1 in the Notes to the consolidated Ind AS financial statements which states effects of uncertainties relating to COVID-19 pandemic outbreak on the Group's operations and management's evaluation of its impact on the accompanying Statement as at the balance sheet date, the extent of which is significantly dependent on future developments.
- b) Note 37 in the Notes to the consolidated Ind AS financial statements regarding the delisting of Holding Company's shares by the Bombay Stock Exchange
- c) Note 27.2 in the Notes to the consolidated Ind AS financial statements regarding the amount of Rs. 4,65,27,580 receivable from BETA Wind Farm Private Limited has been written off as bad debts as the project did not commence.

Our opinion is not modified in respect of the above matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March 2020. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section, Material Uncertainty Related to Going Concern and Emphasis of matter section, we have determined that there are no other key audit matters to communicate in our report

### Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client location and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided by the

management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the group without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

The Holding Company's Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other consolidated comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of





the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Director of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management of the companies included in the group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective boards of directors are also responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the group has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the Emphasis of matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and except for the possible effect of the matter described in the Basis for Qualified opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the effects of the matter described in the Basis of Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis of Qualified Opinion section above, In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors

is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act other than the following

- i. As per the information available in the MCA portal Mr. Narayanmurthi, Managing Director, of the holding company has been disqualified under Section 164(2) of the Companies Ac, 2013. Hence Mr. Narayanmurthi, who was appointed as Managing Director for three years with effect from 30th Nov 2017, cannot be reappointed in this Company on/after 12th November 2020.
  - ii. As per the information available in the MCA portal Mr. Vikram Mankal, Director of the holding company has been disqualified under Section 164(2) of the Companies Act, 2013. Further as per the information and explanation provided by the holding Company and also the records made available, Mr. Vikram Mankal has resigned from the company with effect from 20th March, 2020.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed the impact of pending litigations on its consolidated financial position in the consolidated Ind AS financial statements - Refer Note No. 32 to the consolidated Ind AS financial statements
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries.

**For A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489

Place: Chennai  
Date: July 31, 2020



## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

The annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **Premier Energy and Infrastructure Limited** on the consolidated Ind AS financial statements for the year ended 31st March, 2020.

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of PREMIER ENERGY & INFRASTRUCTURE LIMITED (the “Holding Company”) and its subsidiaries (the holding company and its subsidiaries together referred to as “the Group”) as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Director of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports, is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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**Qualified Opinion**

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to financial statements as at March 31, 2020 in respect of provisioning of overdue receivables and provisioning of advances outstanding for a period of more than 48 months, which could potentially result in the Holding Company not recognizing a provision for the said receivables and advances and non-provisioning of penalties which are likely to arise due to non-compliances of various statutes.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

**Opinion**

In our opinion, the holding company and its subsidiaries has, in all material respects, maintained internal financial controls with reference to financial statements as of March

31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group's internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 consolidated financial statements of the Group, and the material weakness affects our opinion on the consolidated financial statements of the Group.

**For A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489

Place: Chennai  
Date: July 31, 2020



## Consolidated Balance Sheet as at March 31, 2020

All amounts are in Rs unless otherwise stated

Particulars	Note No	As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	4	656,595,607	656,614,339
(b) Capital work-in-progress	4	27,022,062	27,022,062
(c) Goodwill	5	3,371,440	3,371,440
(d) Financial Assets			
(i) Investments			
a) Investments in Subsidiaries	6.1	1	1
b) Other Investments	6.2	1	1
(ii) Loans	7	135,103,820	115,257,432
(e) Other non-current assets	9	56,040,000	20,000,000
<b>Total Non - Current Assets</b>		<b>878,132,931</b>	<b>822,265,275</b>
<b>Current assets</b>			
(a) Inventory	10	92,470,000	92,470,000
(b) Financial assets			
(i) Trade receivables	11	5,452,276	72,763,246
(ii) Cash and cash equivalents	12	897,894	2,062,740
(iii) Other financial assets	8	272,039	231,112
(c) Other current assets	9	570,784	407,080
<b>Total current assets</b>		<b>99,662,993</b>	<b>167,934,178</b>
<b>Total assets</b>		<b>977,795,924</b>	<b>990,199,453</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	13	413,500,600	413,500,600
(b) Other equity	14	(18,679,279)	28,760,599
<b>Total Equity</b>		<b>394,821,321</b>	<b>442,261,199</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	97,036,776	107,394,387
(b) Provisions	16	80,229	(52,903)
<b>Total Non - Current Liabilities</b>		<b>97,117,005</b>	<b>107,341,484</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	117,871,008	65,577,647
(ii) Trade payables	18	27,442,205	75,448,446
(iii) Other financial liabilities	19	158,983,193	132,909,752
(b) Provisions	16	529,132	7,383,532
(c) Current tax balances (Net)	20	73,725,176	74,654,155
(d) Other current liabilities	21	107,306,884	84,623,238
<b>Total Current Liabilities</b>		<b>485,857,598</b>	<b>440,596,770</b>
<b>Total Liabilities</b>		<b>582,974,603</b>	<b>547,938,254</b>
<b>Total Equity and Liabilities</b>		<b>977,795,924</b>	<b>990,199,453</b>

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report attached.

For and on behalf of the Board of Directors

**for A N Jambunathan & Co**

Chartered Accountants

Firm Registration NO. 001250S

**R Ramakrishnan**

Partner

M.No. 205489

Place : Chennai

Date : July 31, 2020

**M Narayanamurthi**

Managing Director

DIN: 00332455

**A Sriram**

Chief Financial Officer

**K N Narayanan**

Director

DIN: 01543391

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

All amounts are in Rs unless otherwise stated

	Note No.	Year ended 31-Mar-20	Year ended 31-Mar-19
I Revenue from Operations	22	-	20,160,000
II Other Income	23	82,503	58,603
<b>III Total Income (I+II)</b>		<b>82,503</b>	20,218,603
<b>IV Expenses</b>			
Employee benefit expense	24	346,947	8,501,934
Finance costs	25	24,794,840	21,627,484
Depreciation and amortisation expense	26	18,732	121,584
Other expenses	27	55,392,389	46,391,332
<b>Total expenses (IV)</b>		<b>80,552,907</b>	76,642,333
<b>V Profit/(loss) before Exceptional items &amp; tax (III-IV)</b>		<b>(80,470,404)</b>	(56,423,730)
VI Exceptional items	37	(33,587,346)	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(46,883,058)</b>	-
VIII Tax expense			
(1) Current tax			(2,368,313)
			(2,368,313)
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(46,883,058)</b>	(54,055,417)
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)	29	556,817	1,586,053
<b>X Total comprehensive income for the period (A (i-ii)+B(i-ii))</b>		<b>556,817</b>	1,586,053
<b>XI Total comprehensive income for the period (IX-X)</b>		<b>(47,439,875)</b>	(55,641,470)
<b>Profit for the year attributable to:</b>			
Owners of the Company		(47,439,875)	(55,641,470)
Non controlling interests		-	-
		<b>(47,439,875)</b>	(55,641,470)
Other comprehensive income for the year attributable to:			
Owners of the Company		-	-
		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		(47,439,875)	(55,641,470)
		<b>(47,439,875)</b>	(55,641,470)
<b>Earnings per equity share (for continuing operation):</b>	28		
Diluted (in Rs.)		(1.15)	(1.35)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report attached.

**for A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489  
Place : Chennai  
Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**  
Managing Director  
DIN: 00332455

**A Sriram**  
Chief Financial Officer

**K N Narayanan**  
Director  
DIN: 01543391



## Consolidated Cash Flow Statement as on March 31, 2020

All amounts are in Rs unless otherwise stated

	Note No	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Profit before tax for the year		(47,439,875)	(58,009,784)
Adjustments for:			
Depreciation and amortisation of non-current assets	4	18,732	121,584
Finance costs recognised in profit or loss	25	24,774,970	21,569,802
Movements in working capital:			
(Increase)/decrease in trade and other receivables	11	67,310,970	66,617,410
(Increase)/decrease in other assets	9	(36,288,499)	(20,113,621)
Increase/(Decrease) in trade and other payables	18	(47,964,442)	(8,798,534)
Increase/(decrease) in provisions	16	(7,651,982)	4,669,337
(Decrease)/increase in other liabilities	21	22,743,646	(19,088,321)
Cash generated from operations		(24,496,480)	(13,032,126)
Income taxes paid		1,735	(1,541,332)
Net cash generated by operating activities		(24,494,745)	(14,573,458)
Cash flows from investing activities			
Payments to acquire financial assets		-	-
Payments for property, plant and equipment		-	-
Net cash (used in)/generated by investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings	15	(10,377,177)	(24,562,214)
Proceeds from loans	7	(19,782,956)	(17,754,000)
Proceeds from short term borrowings	17	52,293,360	44,848,551
Proceeds from other financial liabilities	18	25,971,642	33,001,436
Interest paid	25	(24,774,970)	(21,569,802)
Net cash used in financing activities		23,329,899	13,963,971
Net increase in cash and cash equivalents		(1,164,846)	(609,487)
Cash and cash equivalents at the beginning of the year	12	2,062,740	2,672,227
Cash and cash equivalents at the end of the year		897,894	2,062,740
<b>Cash and Cash equivalents as per Balance sheet</b>		<b>897,894</b>	<b>2,062,740</b>

In terms of our report attached.  
**for A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489  
Place : Chennai  
Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**  
Managing Director  
DIN: 00332455  
**A Sriram**  
Chief Financial Officer

**K N Narayanan**  
Director  
DIN: 01543391

**Consolidated Statement of changes in equity for the year ended March 31, 2020**

All amounts are in Rs unless otherwise stated

**A. Equity Share Capital**

	Note No.	Amount
<b>As at April 1, 2019</b>		413,500,600
Changes in equity share capital		-
<b>As at March 31, 2020</b>	13	<u>413,500,600</u>

**B. Other Equity**

	Reserves & Surplus						Total other equity
	Note No.	Securities Premium reserve	Capital Reserve	General Reserve	Profit & Loss Account	Other Comprehensive Income	
<b>Balance at April 1, 2018</b>		950,864,127	146,863,006	12,883,501	(1,028,670,475)	2,461,908	84,402,067
Profit for the year		-	-	-	(54,055,417)		(54,055,417)
Other comprehensive income		-	-	-		(1,586,053)	(1,586,053)
<b>Balance at April 1, 2019</b>		950,864,127	146,863,006	12,883,501	(1,082,725,892)	875,855	28,760,599
Profit for the year		-	-	-	(46,883,058)		(46,883,058)
Other comprehensive income		-	-	-		(556,817)	(556,817)
<b>Balance at March 31, 2020</b>	14	950,864,127	146,863,006	12,883,501	(1,129,608,950)	319,038	(18,679,279)





**Notes to the consolidated financial statements for the year ended March 31, 2020**

All amounts are in Rs unless otherwise stated

**1A Corporate Information**

Premier Energy and Infrastructure Limited (PEIL) ("the company") is a public limited group incorporated and domiciled in India and has its registered office at Ground Floor, Tangy Apartments, 34 Dr P V Cherian Road, Egmore, Chennai 600 008 focused on the Construction, Housing Development and Energy Sector.

The company has its primary listings on the Bombay Stock Exchange of India Limited.

The consolidated financial statements are approved for issue by the company's Board of Directors on July 31, 2020.

These consolidated financial statements relate to the financial statements of Premier Energy and Infrastructure Limited ("the company") and the following Subsidiaries :

- a) RCI Power Limited - 100 %
- b) RCI Power AP Limited - 100 %
- c) EMAS Engineers & Contractors Pvt Ltd - 50.1 %

**1B Principles of consolidation:**

The consolidated financial statements relates to Premier Energy Investments Limited (PEIL) and its subsidiary companies. It is prepared on the following basis:

- (i) The financial statements of the subsidiary company in the consolidation are drawn up to the same reporting date as that of the company i.e., March 31, 2020
- (ii) The financial statements of the company and its subsidiaries are consolidated on line by line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intragroup transactions and resulting unrealised profits or losses, unless costs cannot be recovered.
- (iii) In view of the provisional order of winding up of the Honourable Madras High Court dated December 20, 2016, in relation to the subsidiary company Emas Engineers & Contractors Pvt Ltd the company is unable to consolidate the accounts of this subsidiary.
- (iv) Additional information as required under the General instructions for Preparation of Consolidated Financial Statements to Schedule III Division II to the Companies Act, 2013.

	<b>As at March 31, 2020</b>	
	<b>Net Assets (Total assets minus total liabilities)</b>	
<b>Name of entity</b>	<b>As a % of consolidated net assets</b>	<b>Amount</b>
<b>Parent</b>		
Premier Energy and Infrastructure Limited	83%	328,768,762
<b>Subsidiaries - Indian</b>		
RCI Power Limited	169%	665,275,564
RCI Power AP Limited	22%	86,095,603
Adjustments arising out of consolidation	-174%	(684,697,327)
	<b>100%</b>	<b>395,442,602</b>

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

Name of entity	As at March 31, 2020	
	Share of profit after tax	
	As a % of consolidated net assets	Amount
<b>Parent</b>		
Premier Energy and Infrastructure Limited	93%	(43,794,694)
<b>Subsidiaries - Indian</b>		
RCI Power Limited	6%	(2,927,426)
RCI Power AP Limited	0%	(57,072)
Adjustments arising out of consolidation	0%	-
	<b>100%</b>	<b>(46,779,192)</b>

Name of entity	As at March 31, 2020	
	Share of Other Comprehensive Income	
	As a % of consolidated net assets	Amount
<b>Parent</b>		
Premier Energy and Infrastructure Limited	100.00%	(556,817)
<b>Subsidiaries - Indian</b>		
RCI Power Limited	0%	-
RCI Power AP Limited	0%	-
Adjustments arising out of consolidation	-	-
	<b>100%</b>	<b>(556,817)</b>

Name of entity	As at March 31, 2020	
	Share of Total Comprehensive Income	
	As a % of consolidated net assets	Amount
<b>Parent</b>		
Premier Energy and Infrastructure Limited	93%	(44,351,511)
<b>Subsidiaries - Indian</b>		
RCI Power Limited	6%	(2,927,426)
RCI Power AP Limited	0%	(57,072)
Adjustments arising out of consolidation	0%	-
	<b>100%</b>	<b>(47,336,009)</b>



**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**2 Statement of Compliance with IndAS**

These consolidated financial statements ('financial statements') of the company have been prepared in accordance with Indian

Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The group has uniformly applied the accounting policies during the periods presented.

**3 Significant accounting policies**

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**3.1 Basis of preparation and presentation**

**Basis of Preparation**

These financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

The presentation of the Financial Statements is based on Ind AS Schedule III, which are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

**Basis of Measurement**

The consolidated financial statements have been prepared under the historical cost convention, on the accrual basis except for certain financial instruments which are measured at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**3.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the company's share of profits, net assets and retained post acquisition reserves of associate that are consolidated using the equity or proportionate method of consolidation, as applicable

Wherever necessary, adjustments are made to the financial statements of associate to bring their accounting policies in line with those used by other members of the company.

**3.2.1 Estimation of uncertainties relating to the global health pandemic from COVID-19**

The group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, and its investment. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. the company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**3.3 Business combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

**Summary of Significant Accounting Policies****3.4 Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities), income and expenses and accompanying disclosures. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Significant accounting judgements, estimates and assumptions used by management are as below:

- Useful lives of Investment Property, Property Plant and Equipment and Intangible Assets.
- Accounting for revenue and land cost for projects executed through joint development arrangement.
- Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates.
- Fair value measurements.

**3.5 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.



**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- > Level 1- Quoted (unadjusted) market price in active markets for identical assets or liabilities.
- > Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- > Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investments and deposits measured at fair value, and for non-recurring measurement.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

**3.6 Operating cycle and basis of classification of assets and liabilities**

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis".

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

**3.7 Revenue recognition**

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and similar allowances.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

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

Interest on investments/ loans 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.

**3.8 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**3.9 Borrowings and Borrowing costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**3.10 Employee benefits**

Employee benefits include gratuity and compensated absences.

**a. Short-term obligations**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur



**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**b. Long-term employee benefit obligations**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**c. Post-employment obligations**

The Group operates the following postemployment scheme:

**i. Defined Benefit Plan:**

The liability or assets recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the Statement of Profit and Loss. Remeasurement gains and loss arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of Profit and Loss as past service cost.

**3.11 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**3.11.1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3.11.2 Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**3.12 Cash and Cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**3.13 Property, plant and equipment**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Cost of the asset includes expenditure that is directly attributable to the acquisition and installation, including interest on borrowing for the project / property, plant and equipment's up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalised as incurred.

Cost of land includes land costs, registration charges and compensation paid to land owners. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures, plant and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.





**Notes to the consolidated financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided over the useful life of the assets. Useful life as provided under Schedule II of the companies Act 2013, is considered. Residual value for all assets is considered at 5% of original cost. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life. Except for assets in respect of which no extra shift depreciation is permitted as per schedule II of the Act, depreciation is charged in relation to the number of shifts operated.

Estimated useful lives of the assets are as follows:

S. No.	Asset	Method of depreciation	Actual useful life considered (In Years) (Useful life as per Schedule II of the Act)
1	Plant & Machinery	Straight Line Method	10' (15)
2	Furniture & Fixtures	Straight Line Method	10' (15)
3	Office Vehicle	Straight Line Method	10' (15)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**3.13.1 Impairment of tangible and intangible assets carried at cost**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's or cash-generating units (CGU) recoverable value and its value in use. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending only for change in assumptions or internal/external factors. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**3.14 Provisions and Contingencies**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of amounts 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 to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extreme rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

**3.15 Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases.

The Group has elected not to recognise right-of-use assets and lease liabilities for shortterm leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor, Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term

**3.16 Segmental Reporting:**

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

**3.17 Financial instruments****Initial Recognition**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**3.17.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

The Group classifies its financial assets in the following categories:

- i) Financial assets at amortised cost- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as noncurrent assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 month period, carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.



**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

- ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) – All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Group has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in Other Comprehensive Income (OCI). The accumulated gains or losses are recognised in OCI are reclassified to retained earnings on sale of such investment.
- iii) Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets which are not classified in any of the categories above measured at FVTPL. These include surplus funds invested in mutual funds etc.
- iv) Impairment of financial assets - The Group assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Group's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

**3.18 Financial liabilities and equity instruments**

**3.18.1 Classification as debt or equity**

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**3.18.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.18.3 Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**3.18.3.1 Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

**3.18.3.2 Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**3.19 Earnings per Share**

The Company presents basic and diluted earnings per share data for its equity shares. Basic and diluted earnings per share is calculated by dividing the profit or loss attributable to owners of the equity shares of the Holding Company by the weighted average number of equity shares outstanding during the year.

**3.20 Statement of cash flows**

Statement of Cash flows is prepared under Ind AS 7 'Statement of Cashflows' specified under Section 133 of the Act. Cash flows are reported using the indirect method, whereby profit / (loss) before tax and is adjusted for the effects of transactions of non-cash nature.

Significant management judgement in applying accounting policies and estimation uncertainty.

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.



**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**4 Property, plant and equipment and capital work-in-progress**

	As at 31/03/2020	As at 31/03/2019
Carrying amounts of:		
Land	656,581,750	656,581,750
Plant and Machinery	4,091	4,073
Vehicles	-	2,714
Furniture and Fixtures	9,766	25,802
	<u>656,595,607</u>	<u>656,614,339</u>
Capital Work in Progress	27,022,062	27,022,062
Total	<u>683,617,669</u>	<u>683,636,401</u>

Description of Assets	Land	Plant and Equipment	Vehicles	Furniture and Fixtures	Total
<b>I. Cost or deemed cost</b>					
<b>Balance as at 31 March, 2019</b>	656,581,750	224,338	788,700	42,200	657,636,988
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at 31 March, 2020</b>	<u>656,581,750</u>	<u>224,338</u>	<u>788,700</u>	<u>42,200</u>	<u>657,636,988</u>
<b>II. Accumulated depreciation and impairment</b>					
<b>Balance as at 31 March, 2019</b>	-	220,265	785,986	16,398	1,022,649
Eliminated on disposal of assets	-	-	-	-	-
Depreciation Expense	-	(18)	2,714	16,036	18,732
<b>Balance as at 31 March, 2020</b>	-	<u>220,247</u>	<u>788,700</u>	<u>32,434</u>	<u>1,041,381</u>
<b>III. Carrying Amount</b>					
<b>Balance at March 31, 2019</b>	656,581,750	4,073	2,714	25,802	656,614,339
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation Expense	-	(18)	2,714	16,036	18,732
<b>Balance at March 31, 2020</b>	<u>656,581,750</u>	<u>4,091</u>	<u>-</u>	<u>9,766</u>	<u>656,595,607</u>

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**5 Goodwill on Consolidation**

	As at 31 March 2020	As at 31 March 2019
Opening Balance	3,371,440	3,371,440
For the year Addition / (Deletion)	-	-
Closing Balance	<u>3,371,440</u>	<u>3,371,440</u>

**6.1 Investments in Subsidiaries****Break-up of investments in subsidiaries (Carried at cost)**

Particulars	As at March 31, 2020		As at March 31, 2019	
	QTY	Amounts	QTY	Amounts
Unquoted Investments (all fully paid)				
(a) Investments in Equity Instruments				
Emas Engineers & Contractors Pvt Ltd (EMAS)	6,024,050	1	6,024,050	1
Less: Provision for diminution in value of investments		-		-
<b>Total Aggregate Unquoted Investments</b>	<u>6,024,050</u>	<u>1</u>	<u>6,024,050</u>	<u>1</u>
Aggregate carrying value of unquoted investments in subsidiaries		1		1

**6.2 Other Investments**

Particulars	As at March 31, 2020		As at March 31, 2019	
	QTY	Amounts	QTY	Amounts
<b>Unquoted Investments (all fully paid)</b>				
Investments in Equity Instruments				
Haldia Coke & Chemicals Private Limited - Refer Note 6.2 (1) and Note 35	13,750,000	1	13,750,000	1
Less: Provision for diminution in value of investments				-
<b>Total Aggregate Unquoted Investments</b>	<u>13,750,000</u>	<u>1</u>	<u>13,750,000</u>	<u>1</u>
Aggregate carrying value of unquoted investments		1		1
Aggregate amount of impairment in value of investments		-		-

**Note 6.2 (1)**

Includes 91,74,860 equity shares pledged with a lender for amounts borrowed by the Associate Company. Refer Note 32(b)



**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**7 Loans**

	<b>31-Mar-2020 Non Current</b>	31-Mar-2019 Non Current
Advances to Others:		
Unsecured, considered good	<b>13,547,647</b>	13,514,706
Advances to Related Parties:		
Unsecured, considered good	<b>121,556,173</b>	101,742,726
Less: Provision for doubtful advances	-	-
<b>Total</b>	<b><u>135,103,820</u></b>	<u>115,257,432</u>

Confirmations of advances are yet to be received, though the letters of confirmations were sent to them. The balances adopted are as appearing in the books of accounts of the Company. The management expects to recover the same.

**8 Other Financial Assets**

	31-Mar-2020		31-Mar-2019	
	Non Current	Current	Non Current	Current
Interest accrued on Bank deposits		<b>258,539</b>	-	217,612
Utilities Deposit		<b>13,500</b>	-	13,500
Rental Advance	-	-	-	-
	<u>-</u>	<u><b>272,039</b></u>	<u>-</u>	<u>231,112</u>

**9 Other Assets**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Advances recoverable in cash or in kind	-	<b>562,859</b>	-	280,614
Balance with Revenue Authority		-	-	
Other Deposits Refer Note (32(c))	<b>56,040,000</b>	-	20,000,000	
Prepaid Expense	-	<b>7,925</b>		126,466
	<u><b>56,040,000</b></u>	<u><b>570,784</b></u>	<u>20,000,000</u>	<u>407,080</u>

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**10 Inventories**

	<b>As at March 31, 2020</b>	As at March 31, 2019
Land	<b>92,470,000</b>	92,470,000
(At lower of cost and net realizable value)		
	<b>92,470,000</b>	92,470,000

**11 Trade receivables**

	<b>As at March 31, 2020</b>	As at March 31, 2019
	<b>Current</b>	Current
Unsecured, considered good	<b>5,452,276</b>	72,763,246
	<b>5,452,276</b>	72,763,246

Confirmations of balances of debtors are yet to be received, though the letters of confirmations were sent to them. The balances adopted are as appearing in the books of accounts of the Company. The management expects to recover the same.

**12 Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

	<b>As at March 31, 2020</b>	As at March 31, 2019
Balances with Banks		
In Current accounts	<b>189,958</b>	1,375,409
In Deposits	<b>504,351</b>	504,351
Cash on hand	<b>203,585</b>	182,980
Cash and cash equivalents as per balance sheet	<b>897,894</b>	2,062,740
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>897,894</b>	2,062,740





**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**13 Equity Share Capital**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised Share capital :</b>		
44,150,000 fully paid equity shares of Re.10 each	441,500,000	441,500,000
<b>Issued and subscribed capital comprises:</b>		
41,350,060 fully paid equity shares of Re.10 each (as at March 31, 2020: 41,350,060; as at April 1, 2019: 41,350,060)	413,500,600	413,500,600
	<u>413,500,600</u>	<u>413,500,600</u>

**13.1 Fully paid equity shares**

	Number of shares	Share capital (Amount)
Balance at March 31, 2019	413,500,600	413,500,600
Movements	-	-
<b>Balance at March 31, 2020</b>	<u>413,500,600</u>	<u>413,500,600</u>

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

**13.2 Details of shares held by each shareholder holding more than 5% shares**

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	% holding of shares	Number of Shares held	% holding of shares
<b>Fully paid equity shares</b>				
Shri Housing Pvt Ltd	11,100,000	26.84%	11,100,000	26.84%
Vidya Narayanamurthi (On behalf of Shriram Auto Finance)	10,000,000	24.18%	10,000,000	24.18%
Vathsala Ranganathan (On behalf of Shriram Auto Finance)	3,462,515	8.37%	3,462,515	8.37%
Vaata Infra Limited	4,000,000	9.67%	4,000,000	9.67%
Sita Srinivasan	2,553,725	6.18%	2,553,725	6.18%

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**14 Other equity**

	Note	As at March 31, 2020	As at March 31, 2019
Securities premium reserve		950,864,127	950,864,127
Retained earnings	14.1	(1,129,289,913)	(1,081,850,035)
Capital Reserve		146,863,006	146,863,006
General Reserve		12,883,501	12,883,501
		<u>(18,679,279)</u>	<u>28,760,599</u>

**14.1 Retained earnings**

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at beginning of year	(1,081,850,038)	(1,026,208,565)
Profit attributable to owners of the Company	(47,439,875)	(55,641,470)
<b>Balance at end of year</b>	<b>(1,129,289,913)</b>	<b>(1,081,850,035)</b>

**15 Borrowings**

	As at March 31, 2020	As at March 31, 2019
	Non Current	Non Current
<b>Secured - at amortised cost</b>		
Term loans		
from banks (Refer note (15.1(i)) below)	35,957,302	45,953,302
<b>Unsecured - at amortised cost</b>		
Term loans		
from Related Parties (Refer Note 31)	58,279,474	58,062,565
from Others (Refer (15.1(ii)) below)	-	578,520
Lease Deposit	2,800,000	2,800,000
<b>Total</b>	<b>97,036,776</b>	<b>107,394,387</b>

**15.1 Summary of borrowing arrangements**

- (i) (a) The company has availed a term loan of Rs.10 crores from Small Industries Development Bank of India (SIDBI), repayable in 120 monthly installments, carrying interest rate of 12.75% per annum.
- (b) A first charge by way of mortgage in favour of SIDBI has been created by the company on the immovable properties located at Door No.62 & 63, Luz Church Road, comprised in survey numbers 1652/14, 1652/25 part, Mylapore Village and Triplicane - Mylapore tauk, Chennai district, Chennai - 600 004, admesuring 5919 sq.ft.
- (c) Pending registration, no specific charge has been created on the undivided portion either by the company or by M/s. PL Finance and Investments Limited.  
Additionally secured by irrevocable and unconditional corporate guarantees by the company and M/s. Shri Housing Private Limited and M/s. PL Finance and Investments Limited. Further guaranteed by M/s. Shriram Auto Finance (Firm) and by a Director of the company.
- (d) Period and amount of continuing default :  
No of Installments - 51 (Monthly)  
Principal Overdue - Rs. 4,28,80,000  
Interest overdue - Rs.8,88,23,745



**Notes to the consolidated financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

- (ii) (a) The company has availed a term loan of Rs.2.57 Crores from M/s. Indiabulls Housing Finance Limited (IHFL), repayable in 60 equated monthly installments effective May 2015, carrying adjustable rate of interest of IHFL-LFRR base rate less 5.75% per annum.  
 (b) Secured by immovable property belonging to M/s. Chennai Power & Coke Private Limited.  
 (c) Additionally secured by corporate guarantees by the company and M/s. Chennai Power Coke & Private Limited. Further Guaranteed by a director and a relative of a director.  
 (d) Period and amount of continuing default :  
 No of Installments - 2 (Monthly)  
 Principal Overdue - Rs. 11,38,601  
 Interest overdue - Rs. 25,67,655

**16 Provisions**

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current	Non Current	Current
Employee benefits including compensated absences	80,229	529,132	(52,903)	7,383,532
<b>Total</b>	<b>80,229</b>	<b>529,132</b>	<b>(52,903)</b>	<b>7,383,532</b>

**17 Short Term Borrowings**

	As at	As at
	March 31, 2020	March 31, 2019
	Current	Current
Loan from related party	117,871,008	65,577,647
<b>Total</b>	<b>117,871,008</b>	<b>65,577,647</b>

**18 Trade Payables**

	As at	As at
	March 31, 2020	March 31, 2019
	Current	Current
Due to Micro Small Medium Enterprises Creditors	-	-
Due to Other than Micro Small Medium Enterprises Creditors	27,442,205	75,448,446
<b>Total</b>	<b>27,442,205</b>	<b>75,448,446</b>

Confirmations of balances of creditors are yet to be received, though the letters of confirmations were sent to them. The balances adopted are as appear in the books of accounts of the Company.

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**19 Other financial liabilities**

	As at March 31, 2020	As at March 31, 2019
	Current	Current
Interest accrued and due	91,391,400	67,326,977
Interest accrued and not due	1,399,377	1,280,003
Accrued Employee benefits	5,244,007	7,417,574
Accrued Expenses	7,155,288	7,024,573
Current maturities of long-term debt	53,793,122	49,860,625
<b>Total</b>	<b>158,983,193</b>	<b>132,909,752</b>

**20 Current tax balances (Net)**

	As at March 31, 2020	As at March 31, 2019
<b>Current tax assets</b>		
Tax refund receivable	1,529,543	1,529,543
	<b>1,529,543</b>	1,529,543
<b>Current tax liabilities</b>		
Provision for Tax	75,254,719	76,183,698
<b>Total</b>	<b>73,725,176</b>	74,654,155

**21 Other Liabilities**

	As at March 31, 2020	As at March 31, 2019
	Current	Current
Advance from Customers	71,684,429	20,110,782
Statutory dues payable	35,622,455	64,512,456
<b>Total</b>	<b>107,306,884</b>	<b>84,623,238</b>



**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
<b>22 Revenue from Operations</b>		
The following is an analysis of the Group's revenue for the year from continuing operations (excluding other income-see note 22)		
(a) Revenue from leasing and maintenance	-	20,160,000
	<u>-</u>	<u>20,160,000</u>
<b>23 Other Income</b>		
<b>Interest income</b>		
Bank deposits (at amortised cost)	82,503	58,603
	<u>82,503</u>	<u>58,603</u>
<b>24 Employee benefits expense</b>		
Salaries and wages	2,833,880	7,387,637
Contribution to provident and other funds (see note 28)*	(2,519,514)	1,080,360
Staff welfare expenses	32,581	33,937
	<u>346,947</u>	<u>8,501,934</u>
<b>25 Finance costs</b>		
Continuing operations		
(a) Interest costs :-		
Interest on bank overdrafts and loans (other than those from related parties)	24,774,970	21,569,802
<b>Total interest expense for financial liabilities not classified as at FVTPL</b>	<b>24,774,970</b>	<b>21,569,802</b>
(b) Other borrowing costs :-	19,869	57,682
	<u>24,794,840</u>	<u>21,627,484</u>
<b>26 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment pertaining to continuing operations	18,732	121,584
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<u>18,732</u>	<u>121,584</u>

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

	Year ended March 31, 2020	Year ended March 31, 2019
<b>27 Other expenses</b>		
Payment to Auditors :		
Statutory audit	940,000	1,540,000
Communication expenses	450,889	489,404
Professional charges	5,078,113	4,264,682
Listing & Depository Fees	315,666	426,974
Repairs & Maintenance	361,341	297,308
Miscellaneous Expenses	491,293	593,922
Printing & Stationery	350,485	231,428
Office Rent	18,000	18,000
Electricity	66,660	73,315
Travelling & conveyance expenses	523,076	557,202
Prior Year Expenses	-	144,804
Interest on Statutory Payment	269,286	9,214,166
Bad Debts Written off. (Refer Note 27.2)	46,527,580	21,621,626
BSE Penalty	0	6,918,500
<b>Total</b>	<b>55,392,389</b>	<b>46,391,332</b>
<b>27.1 Payments to auditors</b>		
a) For audit	940,000	1,540,000
	<b>940,000</b>	<b>1,540,000</b>
<b>27.2 Bad Debts Written off</b>		

The amount of Rs 4,65,27,580/- receivable from BETA Wind Farm Private Limited has been written off as bad debts as the project did not commence.



**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**28 Earnings per Share**

	<b>31-Mar-2020</b>	31-Mar-2019
Basic earnings per share		
From continuing operations	<u>(1.15)</u>	<u>(1.35)</u>
<b>Total basic earnings per share</b>	<u>(1.15)</u>	<u>(1.35)</u>
Diluted earnings per share		
From continuing operations	<u>(1.15)</u>	<u>(1.35)</u>
<b>Total diluted earnings per share</b>	<u>(1.15)</u>	<u>(1.35)</u>

**28.1 Basic earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Profit for the year attributable to owners of the Company	<u>(47,439,875)</u>	<u>(55,641,470)</u>
Earnings used in the calculation of basic earnings per share	<u>(47,439,875)</u>	<u>(55,641,470)</u>
Earnings used in the calculation of basic earnings per share from continuing operations	<u>(47,439,875)</u>	<u>(55,641,470)</u>
Weighted average number of equity shares for the purposes of basic earnings per share	<b>41,350,060</b>	41,350,060

**28.2 Diluted earnings per share**

The earnings used in the calculation of diluted earnings per share are as follows:

Earnings used in the calculation of basic earnings per share	<u>(47,439,875)</u>	<u>(55,641,470)</u>
Earnings used in the calculation of diluted earnings per share Profit for the year from discontinued operations attributable	<u>(47,439,875)</u>	<u>(55,641,470)</u>
<b>Earnings used in the calculation of diluted earnings per share from continuing operations</b>	<u>(47,439,875)</u>	<u>(55,641,470)</u>

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Weighted average number of equity shares used in the calculation of basic earnings per share	<b>41,350,060</b>	41,350,060
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share</b>	<b>41,350,060</b>	41,350,060

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

Particulars	31-Mar-2020	31-Mar-2019
<b>29 Employee benefit plans</b>		
<b>Defined Benefit plans</b>		
The Group's gratuity scheme is a defined benefit plan. The present value of obligation as at the end of the financial year is determined based on actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment as at the end of the financial year is also recognised in the same manner as gratuity.		
<b>As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:</b>		
Employer Contribution to Provident Fund	<b>154,063</b>	521,734

Principal Actuarial Assumptions: (Expressed as weighted averages)	Gratuity Plan (Unfunded)		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Discount rate(s)	<b>4.52%</b>	6.54%	<b>4.52%</b>	6.54%
Expected rate(s) of salary increase	<b>10%</b>	10%	<b>10.00%</b>	10%
Average Age	<b>59.83</b>	60.1	<b>59.83</b>	59.5
Attrition Rate	<b>30%</b>	30%	<b>30%</b>	30%
Proportion of Leave availment	<b>NA</b>	NA	<b>5%</b>	5%
Proportion of encashment during service	<b>NA</b>	NA	<b>0%</b>	0%
Proportion of encashment on separation	<b>NA</b>	NA	<b>95%</b>	95%

\* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others (please describe).

**Expenses Recognised in the Statement of Profit and Loss:**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Current service cost	<b>19,771</b>	103,492	<b>21,978</b>	244,195
Net interest expense	<b>22,266</b>	63,798	<b>90,050</b>	110,251
Components of defined benefit costs recognised in profit or loss	<b>42,036</b>	167,289	<b>112,027</b>	354,445
Remeasurement on the net defined benefit liability:				
Net actuarial (gains) / losses on plan obligation	<b>304,062</b>	(62,426)	<b>(49,392)</b>	1,648,479
Components of defined benefit costs recognised in other comprehensive income	<b>304,062</b>	(62,426)	<b>(49,392)</b>	1,648,479
<b>Total</b>	<b>346,098</b>	104,863	<b>62,635</b>	2,002,924





**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**Amounts Recognised in the Balance Sheet and Related Analysis**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Present value of defined benefit obligation	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719
Fair value of plan assets	-	-	-	-
Amount determined under para 63 of Ind AS19	-	-	-	-
Net liability arising from defined benefit obligation	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719

**Change in the Present Value the Obligation (PVO)**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Opening defined benefit obligation	<b>1,080,360</b>	975,497	<b>3,688,719</b>	1,685,795
Current service cost	<b>19,771</b>	103,492	<b>21,978</b>	244,195
Interest cost	<b>22,266</b>	63,798	<b>90,050</b>	110,251
Remeasurement (gains)/losses:	<b>304,062</b>	(62,426)	<b>(49,392)</b>	1,648,479
Benefits paid	<b>(1,175,520)</b>	-	<b>(3,392,931)</b>	-
Closing defined benefit obligation	<b>250,937</b>	1,080,360	<b>358,423</b>	3,688,719

**Changes in the Fair Value of the Plan Assets**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Opening fair value of plan assets	-	-	-	-
Interest income	-	-	-	-
Contributions from the employer	<b>1,175,520</b>	-	<b>3,392,931</b>	-
Benefits paid	<b>(1,175,520)</b>	-	<b>(3,392,931)</b>	-
Closing fair value of plan assets	-	-	-	-

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**Movements In The Liability Recognized In The Balance Sheet**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Opening net liability adjusted for effect of balance sheet limit	<b>1,080,360</b>	975,497	<b>3,688,719</b>	1,685,795
Amount recognised in Profit and Loss	<b>42,036</b>	167,289	<b>112,027</b>	354,445
Amount recognised in OCI	<b>304,062</b>	(62,426)	<b>(49,392)</b>	1,648,479
Contribution paid	<b>(1,175,520)</b>	-	<b>(3,392,931)</b>	-
Closing net liability	<b>250,938</b>	1,080,360	<b>358,423</b>	3,688,719

**Sensitivity Analyses**

Liability when:	Rate	Gratuity Plan		Compensated Absences - Earned Leave		
		31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019	
A. Discount Rate + 100 BP	<b>5.52%</b>	7.54%	<b>250,134</b>	970,020	<b>351,995</b>	1,675,891
B. Discount Rate - 100 BP	<b>3.52%</b>	5.54%	<b>251,755</b>	981,096	<b>365,043</b>	1,695,893
C. Salary Escalation Rate +100 BP	<b>11%</b>	11%	<b>251,667</b>	980,912	<b>363,690</b>	1,692,712
D. Salary Escalation Rate -100 BP	<b>9%</b>	9%	<b>250,208</b>	970,101	<b>353,200</b>	1,678,883
E. Attrition rate +100 BP	<b>31%</b>	11%	<b>250,844</b>	974,805	<b>353,946</b>	1,684,913
F. Attrition rate -100 BP	<b>29%</b>	9%	<b>251,031</b>	976,192	<b>362,909</b>	1,686,678

**Expected Benefit Payments in Following Years**

	Gratuity Plan		Compensated Absences - Earned Leave	
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
Year 1	<b>170,709</b>	826,811	<b>358,423</b>	1,669,015
Year 2	<b>80,228</b>	101,059	-	168,580
Year 3	-	47,628	-	80,918
Year 4	-	-	-	-
Year 5	-	-	-	-
Next 5 Years	-	-	-	-



**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**30 Related party Disclosures**

**Names of related parties and related party relationship**

<b>Names of the related party</b>	<b>Nature and Description of the relationship</b>
SR Fabricators Pvt Ltd	Director is the Director for this Company
Crimson Investmets Ltd	Director is the Director for this Company
Emas Engineers & Contractors Pvt Ltd.	Subsidiary
Shri Housing Pvt. Ltd.	Fellow subsidiary
Shriram Auto Finance (Partnership firm)	Holding Company
M Narayanamurthi	Managing Director / Key Management Personnel
R Ramakrishnan	Director
Vikram Mankal (Resigned on October 19, 2017)	Director
K N Narayanan	Director
A. Sriram	CFO

**Related Party Transactions during the year**

<b>S. No.</b>	<b>Name of the related party</b>	<b>Relationship</b>	<b>Description</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
1	Shri Housing Private Limited	Fellow Subsidiary	Loans received	<b>1,800,000</b>	636,506
			Loans repaid	<b>1,583,091</b>	2,344,494
2	Crimson Investments Ltd	Common Director	Loans received	<b>52,293,359</b>	44,881,552
			Loans repaid	-	33,000
3	M Narayanamurthi	Managing Director	Salary paid	<b>240,000</b>	240,000
4	A. Sriram	Chief Financial Officer	Salary & Allowances paid	<b>120,000</b>	2,854,200

**Closing Balances of Related Parties**

<b>S. No.</b>	<b>Particulars</b>	<b>Nature</b>	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
1	Emas Engineers & Contractors Pvt Ltd	Long Term Loans and Advances	-	-
2	Shri Housing Pvt Ltd	Long Term Borrowings	<b>(58,279,474)</b>	(58,062,565)
3	Crimsoin Investments	Short Term Borrowings	<b>(117,871,007)</b>	(65,577,647)
4	M Narayanamurthi	Accrued Employee Benefits	-	-
5	Vikram Mankal (Resigned)	Accrued Employee Benefits	<b>(329,156)</b>	(329,156)
6	S. Krishnan	Accrued Employee Benefits	-	(100,000)
7	A. Sriram	Accrued Employee Benefits	<b>(120,000)</b>	(4,291,863)

**Notes to the consolidated financial statements for the year ended March 31, 2020** *(continued)*

All amounts are in Rs unless otherwise stated

**31 Details of dues to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006**

The Identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises development Act 2006" is based on the Information available with the management. As certified by the Management, the amounts overdue as on 31st March 2020 (31st March 2019) to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil (Rs. Nil).

**32 Contingent Liability***Premier Energy and Infrastructure Limited*

- a) The Company's land at Door No.62 & 63, Luz Church Road, comprised in survey numbers 1652/14, 1652/25 part, Mylapore Village and Triplicane - Mylapore taluk, Chennai district, Chennai - 600004, purchased during the year 2007-08 (in joint name with another company) has not been registered. Liability towards registration charges for the land is not ascertained and quantified.
- b) The Company has pledged part of its investment of 91,74,860 Equity shares of Haldia Coke and Chemicals Private Limited with a lender for moneys borrowed by the above company. The liability, if any, that may arise on account of the pledge is not quantifiable.
- c) Income Tax Demand on Appeal: Holding Company: Assessment Year 2015-16 the assessment was completed with a demand of Rs. 5,21,10,390/= The company has gone for Appeal with the Commissioner of Income Tax, Chennai. For the Assessment Year 2017-18 the assessment was completed with a demand of Rs. 2,13,16,410/. The company has gone for Appeal with the Commissioner of Income Tax, Chennai and based on advice by its consultants, it does not foresee any material liability on account of the above demand raised by the Income Tax Department.

*RCI Power Limited*

- a) The Income tax department has gone on an appeal with the Honourable High Court of Madras on an order passed by the Income Tax Appellate Tribunal in favour of RCI Power Limited. The amount involved is Rs.1,67,87,132.

**33 Details of dues to Micro, Small and Medium enterprises as defined under the MSMED Act, 2006**

The Identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises development Act 2006" is based on the Information available with the management. As certified by the Management, the amounts overdue as on 31st March 2020 (31st March 2019) to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil (Rs. Nil).

**34 Operating Leases**

The Holding Company has its office premises under operating lease arrangement which is cancellable at the option of the Company, by providing 3 months prior notice.

**35 Going Concern Assumption**

The Group's current liabilities exceeded its net realizable current assets and the company had defaulted in meetings its repayment obligations to its lenders. It has plans to sell its prime asset in the near term and thereby expects to settle all material dues. Further, it is working toward certain strategic alliances which are expected to produce improved business results. Considering these, the management has prepared the financial statements by applying the "Going Concern" assumption.



**Notes to the consolidated financial statements for the year ended March 31, 2020 (continued)**

All amounts are in Rs unless otherwise stated

**36 Fair Value Measurement**

**Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:**

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of current trade receivables, current trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their shortterm nature.

**36.1 Category wise classification of financial instruments is as follows:**

Particulars	See Note	As at 31.03.2020	As at 31.03.2019
<b>Financial assets measured at fair value - Level 3</b>			
<i>Non current:</i>			
(i) Other Investments	6.2	1	1
<b>Financial Assets measured at amortised cost</b>			
<i>Non current:</i>			
(i) Loans	7	135,103,820	115,257,432
<i>Current:</i>			
(i) Trade receivables	11	5,452,276	72,763,246
(ii) Cash and cash equivalents	12	897,894	2,062,740
(iii) Other financial assets	8	272,039	231,112
<b>Financial Assets measured at cost</b>			
<i>Non current:</i>			
(i) Investments			
a) Investments in Subsidiaries	6.1	1	1
<b>Financial Liabilities measured at amortised cost (See Note 37.2)</b>			
<i>Non current:</i>			
(i) Borrowings	15	97,036,776	107,394,387
<i>Current:</i>			
(i) Borrowings	17	117,871,008	65,577,647
(ii) Trade payables	18	27,442,205	75,448,446
(iii) Other financial liabilities	19	158,983,193	132,909,751

**36.2 Financial instrument measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their face values since the group does not anticipate that the carrying cost would be significantly different from the values that would eventually be received or settled.

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**36.3 Financial Risk Management - Objectives and Policies**

The group has a well- managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the group's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

**1) Market Risk**

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The group is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which result from both its operating and investing activities.

*Interest Rate Risk*

The group's main interest rate risk arises from long term and short term borrowings with variable rates, which expose the group to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the exposure of group's borrowings to interest rate changes are as follows:

Particulars	March 31, 2020	March 31, 2019
Variable rate borrowings	89,750,424	96,392,447

**Sensitivity**

Profit/ loss is sensitive to higher/lower expense from borrowings as a result of change in interest rates. The table below summarises the impact of increase/decrease in interest rates on profit or loss.

Particulars	(Increase) / decrease in Loss by	
	March 31, 2020	March 31, 2019
Interest rates - increase by 1%	930,714	992,084
Interest rates - decrease by 1%	(930,714)	(992,084)

**2) Liquidity Risk**

Liquidity risk is the risk that the group will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The group has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and lower working capital debt.

**The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.**

Maturities of financial liabilities As at 31 March 2020	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	97,036,776	-	97,036,776
Trade payable	27,442,205	-	-	27,442,205
Other financial liabilities	158,983,193	-	-	158,983,193
Maturities of financial liabilities As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	-	107,394,387	-	107,394,387
Trade payable	75,448,446	-	-	75,448,446
Other financial liabilities	132,909,751	-	-	132,909,751



**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

**3) Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks and other receivables.

Credit risk arising from balances with banks is limited because the counterparties are banks with high credit ratings.

All other financials assets including those past due for each reporting date are of good credit quality

**Assets under credit risk**

<b>Particulars</b>	<b>31.03.2020</b>	31.03.2019
<b>Non Current assets</b>		
<i>Financial Assets</i>		
Loans	<b>135,103,820</b>	115,257,432
<b>Current assets</b>		
<i>Financial assets</i>		
Trade receivables	<b>5,452,276</b>	72,763,246
Cash and cash equivalents	<b>897,894</b>	2,062,740
Other financial assets	<b>272,039</b>	231,112

**36.4 Capital Management**

For the purpose of the group's capital management, capital includes issued share capital and all other equity reserves attributable to the equity shareholders of the group. The primary objective of the group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The group has not distributed any dividend to its shareholders. The group monitors net debt to capital ratio i.e., total debt in proportion to its overall financing structure i.e., equity and debt. Total debt comprises of term loans and cash credits. The group manages its capital structure and makes changes to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

<b>Particulats</b>		<b>31.03.2020</b>	31.03.2019
<b>Total Equity</b>	<b>i</b>	<b>394,821,321</b>	442,261,199
Total Debt	ii	<b>268,700,906</b>	222,832,659
Cash & Cash Equivalents	iii	<b>897,894</b>	2,062,740
<b>Net Debt</b>	<b>iv = iii - ii</b>	<b>267,803,012</b>	220,769,919
Total Capital	v = i + iv	<b>662,624,333</b>	663,031,119
<b>Net Debt to capital ratio</b>	<b>iv / v</b>	<b>0.40</b>	0.33

No changes were made in the objectives, policies and processes for managing the capital during the three years ended March 31, 2020 and March 31, 2019.

**Notes to the consolidated financial statements for the year ended March 31, 2020** (continued)

All amounts are in Rs unless otherwise stated

36.5 Pursuant to regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures of amounts at the year end and the maximum amount of loans/ advances/ investments outstanding during the year are as follows:

**i) Amount outstanding at the year end:**

S. No.	Description	Nature	Net Balance as on 31.03.2020		Net Balance as on 31.03.2019	
				Dr./Cr.		Dr./Cr.
1	Indiabulls Housing Finance Limited	Loan	58,279,474	Cr.	58,062,565	Cr.
2	Shri Housing Pvt Ltd	Loan	1	Cr.	1	Cr.
3	Crimson Investments Limited	Loan	78,588,176	Cr.	78,588,176	Cr.
4	Emass Engineers - Shares	Investment	609,280,591	Dr.	609,280,591	Dr.
5	Investments - RCI Power AP Ltd	Investment	1	Dr.	1	Dr.

**ii) Maximum amount outstanding during the year:**

S. No.	Description	Nature	Maximum amt outstanding as on 31.03.2020		Maximum amt outstanding as on 31.03.2019	
				Dr./Cr.		Dr./Cr.
1	Small Industries Development Bank of India (SIDBI)	Loan	1,216,508	Cr.	17,840,260	Cr.
2	Indiabulls Housing Finance Limited	Loan	58,189,392	Cr.	60,199,193	Cr.
3	RCI Power Limited	Loan	117,871,007	Cr.	65,677,647	Cr.
4	Shri Housing Pvt Ltd	Loan	1	Cr.	1	Cr.
5	Crimson Investments Limited	Loan	78,588,176	Cr.	78,588,176	Cr.
6	Emass Engineers - Shares	Investment	609,280,591	Dr.	609,280,591	Dr.
7	Investments - RCI Power AP Ltd	Investment	1	Dr.	527,587,500	Dr.
8	Haldia Coke & Chemicals	Investment	-	Dr.	1	Dr.
9	Rci Power (Ap)	Advances	-	Dr.	17,295	Dr.
10	Front Office Consultants Pvt Ltd	Advances	13,500,000	Dr.	13,500,000	Dr.
11	Aarthik Properties Ltd	Advances	-	Dr.	1,918,750	Dr.

**37. Capital Management**

The Holding company's shares have been delisted from trading in Bombay Stock Exchange for non payment of penalty. The company has been asked to resubmit the application for relisting again. The company is in the process of submitting the application for relisting.

**37. Capital Management**

- The Holding company has opted for the Sabka Vishwas Scheme under the service tax laws. Accordingly, interest of Rs. 1,95,61,077 is no longer payable and hence the same has been written back in P&L.
- Based on internal reviews and confirmation from the holding company's employees, salaries accrued amounting to Rs. 91,07,216 (including TDS amounting to Rs. 23,45,707) and related interest on TDS amounting to Rs. 49,19,053 are no longer payable.

In terms of our report attached.  
for **A N Jambunathan & Co**  
Chartered Accountants  
Firm Registration NO. 001250S

**R Ramakrishnan**  
Partner  
M.No. 205489  
Place : Chennai  
Date : July 31, 2020

For and on behalf of the Board of Directors

**M Narayanamurthi**  
Managing Director  
DIN: 00332455  
**A Sriram**  
Chief Financial Officer

**K N Narayanan**  
Director  
DIN: 01543391





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## **PREMIER ENERGY AND INFRASTRUCTURE LIMITED**

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