

GREENKO ENERGIES PRIVATE LIMITED

AUDITED FINANCIAL STATEMENTS 2010-11

BRAHMAYYA & CO.
CHENNAI

Auditors' Report to the Members of Greenko Energies Private Limited

1. We have audited the attached Balance Sheet of Greenko Energies Private Limited (the company) as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'order') issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act), and based on the information and explanations give to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw your attention to Note 3 in Schedule 18 - II with respect to dispute in connection with recoverability of debtors amounting to Rs 31,887,348, in view of what has been stated in the above mentioned notes, we are unable to comment on the extent of recoverability of above receivables included in Sundry Debtors. Hence the impact of above on the result of the Company for the year cannot be readily ascertainable.



5. Further to our comments in the Annexure referred to above, we report that:
- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act, to the extent applicable.
 - (v) on the basis of written representations received from the directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act, and
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For BRAHMAYYA & CO.,
Chartered Accountants
Registration No 000511S



N. Sri krishna
Partner
Membership No. 26575

Place : Chennai

Date : 29/08/2011

GREENKO ENERGIES PRIVATE LIMITED
ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF
OUR REPORT OF EVEN DATE,

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The company has a phased programme of physical verification of fixed assets, which in our opinion, is reasonable having regard to the size of the company and nature of fixed assets. In accordance with the programme, fixed assets have been physically verified by the management during the year.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets have not been disposed off by the company during the year.
2. a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory.
3. a) The Company has not granted any loans either secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- b) The Company has not taken any loans either secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.



4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and sale of services. During the course of our audit, no major weakness has been noticed in the above controls and therefore the reporting of the same does not arise.
5. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register maintained under that section have been so entered.
b) In our opinion, according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year ,because of the unique nature of the items involved and absence of comparable prices, we are unable to comment whether the transactions were made at the prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public within the meaning of Section 58A and Section 58AA of the Act and the rules framed thereunder.
7. The company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the act, and are of the opinion that, prima facie, the prescribed accounts & records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



9. According to the records of the company and the information and explanations given to us, undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Service Tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, there are no arrears of statutory dues which are outstanding as at 31st March, 2011 for a period of six months from the date they became payable.

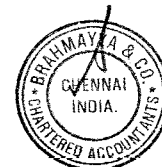
Name of the Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act, 1961	Income tax	30,48,788	Assessment year 2005-06	Income tax Appellate tribunal
The Income tax Act, 1961	Income tax	232,374	Assessment year 2006-07	Commissioner of Income Tax (Appeals)
The Income tax Act, 1961	Income tax	77,94,777	Assessment year 2007-08	Commissioner of Income Tax (Appeals)
The Income tax Act, 1961	Income tax	17,84,950	Assessment year 2007-08	Income tax Appellate tribunal
The Income tax Act, 1961	Income tax	1,72,31,679	Assessment year 2008-09	Commissioner of Income Tax (Appeals)

According to the records of the company and the information and explanations given to us, particulars of dues of Service tax or Income tax as at March 31, 2011 which have not been deposited on account of any dispute are as follows.

10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the current and immediately preceding financial year.



11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit societies are not applicable to the company.
14. In our opinion ,the company is not a dealer or trader of shares securities ,debentures and other investments. However, it holds investments in shares of other body corporate.
15. In our opinion and according to the information and explanations given to us, the company has given corporate guarantees for loans taken by subsidiaries & others from banks/ Non banking finance company during the year .However the guarantees have not been considered prima facie, prejudicial to the interests of the company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
17. In our opinion & according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.



19. The company has not issued debentures during the year and there are no debentures outstanding as at the year end. Accordingly clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable for the current year.
20. The Company has not raised any money by public issues during the year
21. To the best of our knowledge and according to the information and explanations given to us, during the year no fraud on the company or any fraud by the company was noticed or reported during the course of our audit.

For BRAHMAYYA & CO.,
Chartered Accountants
Registration No 000511S



N. Sri krishna
Partner
Membership No. 26575

Place : Chennai

Date : 29/08/2011

GREENKO ENERGIES PRIVATE LIMITED
Balance Sheet as at March 31, 2011

(Amount in Rupees)

	Schedule Reference	2011	2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Capital	1	2,643,350,330	1,434,448,330
(b) Share Application Money, pending allotment		378,600,000	3,552,475,543
Reserves and Surplus	2	5,089,031,324	1,424,246,677
2. Loan Funds			
Secured Loans	3	437,528,241	169,187,160
3. Deferred Tax Liability (net) (Refer Note No.II - 13 on Schedule 18)			
		23,061,820	21,044,400
TOTAL		8,571,571,715	6,601,402,110
II. APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	4	553,097,755	533,176,540
(b) Less : Depreciation		194,554,762	167,521,046
(c) Net Block		358,542,993	365,655,494
(d) Capital Work-in-progress		16,181,475	15,700,856
2. Investments			
	5	5,548,618,113	2,750,224,421
3. Current Assets, Loans and Advances			
(a) Inventories	6	33,702,418	30,414,440
(b) Sundry Debtors	7	81,109,886	75,936,528
(c) Cash and Bank Balances	8	665,932,714	704,182,911
(d) Other Current Assets	9	13,941,116	6,174,721
(e) Loans and Advances	10	2,626,010,586	2,828,004,390
		3,420,696,720	3,644,712,990
Less : Current Liabilities and Provisions			
(a) Liabilities	11	770,832,957	174,153,166
(b) Provisions		1,634,629	738,485
		772,467,586	174,891,651
Net Current Assets		2,648,229,134	3,469,821,339
TOTAL		8,571,571,715	6,601,402,110
Significant Accounting Policies and Notes on Accounts	18		

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

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

For **BRAHMAYYA & CO**

FR No: 000511S

Chartered Accountants

N. Sri Krishna

Partner

M.No: 26575



For and on behalf of the Board of Directors

Greenko Energies Private Limited

Anil Kumar .C

Director

K. Mahesh

Mahesh Kolli

Director

P. Purushotham

Purushotham. C
Director (Finance) and Company Secretary

Place : Chennai

Date: 29/08/11

Place : Hyderabad

Date: 29/08/2011

GREENKO ENERGIES PRIVATE LIMITED

Profit and Loss Account for the year ended 31, March 2011

(Amount in Rupees)

	Schedule Reference	2011	2010
I. INCOME			
Sales	12	511,216,351	286,260,557
Other Income	13	61,148,918	36,681,395
		572,365,269	322,941,952
II. EXPENDITURE			
Generation Expenses	14	321,254,775	167,445,506
Payments and Benefits to Employees	15	42,091,517	32,959,072
Administration and Other Expenses	16	63,159,420	38,129,790
Finance Charges	17	68,510,209	51,426,839
Depreciation		27,033,716	27,294,455
		522,049,637	317,255,662
III. PROFIT BEFORE TAXATION		50,315,632	5,686,290
Provision for Taxation			
- Current Tax		10,219,565	966,385
- Deferred Tax		2,017,420	2,933,311
IV. PROFIT AFTER TAXATION		38,078,647	1,786,594
Balance brought forward from previous year		83,588,347	81,801,753
Surplus carried to Balance Sheet		121,666,994	83,588,347
Earnings Per Share (Per equity share of Rs.10 each)			
- Basic and Diluted		0.18	0.01
Weighted average number of equity shares outstanding			
- Basic		215,405,436	135,336,655
- Diluted		215,690,806	168,032,408
Significant Accounting Policies and Notes on Accounts	18		

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

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

For **BRAHMAYYA & CO**

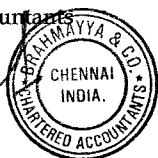
FR No: 000511S

Chartered Accountants

N. Sri Krishna

Partner

M.No: 26575



For and on behalf of the Board of Directors

Greenko Energies Private Limited

Anil Kumar .C

Director

Mahesh Kolli

Director

Purnasotham. C

Director (Finance) and Company Secretary

Place : Chennai

Date: 29/08/11

Place : Hyderabad

Date: 29/08/2011

GREENKO ENERGIES PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2011

(Amount in Rupees)

	2011	2010
A. Cash Flows from Operating Activities		
Profit before taxation	50,315,632	5,686,290
Adjustments for:		
Add: Depreciation	27,033,716	27,294,455
Add: Provision for Diminution in value of Current Investments	126,000	-
Add: Finance charges	68,510,209	51,426,839
Less: (Gain)/ Loss on Foreign Exchange Fluctuations	4,599,912	(4,621,224)
Less: Provision no longer required written back	-	(870,000)
Less: Dividend Income from Current Investments	(97,654)	(28,189)
Less: Interest received on Fixed Deposits	(60,573,564)	(35,102,659)
Less: Interest received from others	-	(680,547)
Operating Profit before working capital changes	89,914,251	43,104,965
(Increase)/ Decrease in Sundry Debtors	(5,173,358)	6,993,434
(Increase)/ Decrease in Inventories	(3,287,978)	(11,838,586)
(Increase)/ Decrease in Loans and Advances	(75,433,486)	(1,381,049,650)
Increase/(Decrease) in Current Liabilities and Provisions	532,818,163	41,878,387
Cash Generated (used in)/ from Operations	538,837,592	(1,300,911,450)
Income taxes paid	(7,714,805)	(5,165,278)
Net Cash from (used in)/ from Operating Activities	531,122,787	(1,306,076,728)
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(20,401,834)	(19,078,435)
Dividend Income from Current Investments	97,654	28,189
Interest received on Fixed Deposits	52,807,169	40,068,189
Interest received from others	-	680,547
Investments/Purchase of Shares in Subsidiaries	(2,094,225,544)	(1,644,140,854)
Purchase of current investment	(36,986)	(28,189)
Purchase of Other Investments	(190,975,000)	(112,399,560)
Advance for purchase of equity	(173,601,860)	(398,106,072)
Net Cash (used in)/ from Investing Activities	(2,426,336,401)	(2,132,976,185)
C. Cash Flows from Financing Activities		
Proceeds from Short Term Loans	1,768,500,000	535,019,179
Repayment of Short Term Loans	(1,803,519,179)	(503,745,191)
Proceeds from Long Term Loans	350,000,000	-
Repayment of Long Term Loans	(49,318,765)	(57,380,711)
Proceeds from issuance of Share Capital	320,783,114	320,448,330
Proceeds from Securities Premium	962,349,343	320,448,330
Proceeds from Share Application Money	702,486,500	3,050,454,004
Repayment of Share Application Money	(328,486,412)	(71,372,187)
Interest paid	(65,831,184)	(52,999,325)
Net Cash (used in)/from Financing Activities	1,856,963,417	3,540,872,429
Increase/(Decrease) in Cash and Cash Equivalents during the year	(38,250,197)	101,819,516
Cash and Cash equivalents at the beginning of the year	704,182,911	602,363,395
Cash and Cash equivalents at the end of the year	665,932,714	704,182,911

Notes 1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash flow statements as notified under section 211 (3C) of the Companies Act, 1956.

2. Cash and Cash Equivalents includes Deposits amounting to Rs. 336,726,391 (2010 - Rs.299,829,003) pledged with the bankers towards the loan sanctioned to the subsidiaries/Company and towards the bank guarantees issued on behalf of the Company.

3. Comparative figures of the previous year, where necessary, have been regrouped to conform to those of the current year.

This is the Cash Flow Statement referred to in our report of even date.

For BRAHMAYYA & CO
FR No: 0005115
Chartered Accountants

N. Sri Krishna
Partner
M.No: 26575



For and on behalf of the Board of Directors
Greenko Energies Private Limited

Anil Kumar .C
Director

K. Rehner
Mahesh Kolli
Director

Purushotham.C
Director (Finance) and Company Secretary

Place : Chennai
Date: 29/08/11

Place : Hyderabad
Date: 29/08/2011

GREENKO ENERGIES PRIVATE LIMITED
Schedules annexed to and forming part of the Balance Sheet

(Amount in Rupees)

	2011	2010
1. Capital		
Authorised:		
265,000,000 (2010 - 144,000,000) Equity Shares of Rs.10 each	2,650,000,000	1,440,000,000
Issued, Subscribed and Paid-up:		
264,335,033 (2010 - 14,34,44,833) Equity Shares of Rs.10 each fully paid-up are held by Greenko Mauritius, the holding company.	2,643,350,330	1,434,448,330
	2,643,350,330	1,434,448,330
[1,479,000 equity shares of Rs.10 each fully paid-up have been allotted to share holders of KMS Power Private Limited, pursuant to scheme of amalgamation between KMS Power Private Limited, Greenko Power Private Limited, Suryakiran Power Projects Private Limited and the company, without payment being received in cash].		
2. Reserves and Surplus		
Profit and Loss Account		
As at the commencement of the year	83,588,347	81,801,753
Add: Transfer from Profit and Loss Account	38,078,647	1,786,594
	121,666,994	83,588,347
Securities Premium		
As at the commencement of the year	1,335,658,330	1,015,210,000
Add: Received on account of issue of equity shares (Refer Note No. II - 6 of Schedule 18)	3,626,706,000	320,448,330
	4,962,364,330	1,335,658,330
Contingency Reserve	5,000,000	5,000,000
	5,089,031,324	1,424,246,677
3. Secured Loans		
Rupee Term Loans		
From Banks	366,577,337	26,577,873
From Financial Institutions	41,719,591	67,687,337
Foreign Currency Term Loans		
From Banks	25,515,560	37,055,235
(Refer Note No. II - 4 (a) and (b) of Schedule 18)		
Interest Accrued and Due on Term loans	3,715,753	1,036,728
Others		
From Banks (Secured against Fixed Deposit Receipts)	-	35,019,179
Other Loans (Secured by Hypothecation of Vehicles)	-	1,810,808
	437,528,241	169,187,160

GREENKO ENERGIES PRIVATE LIMITED
Schedule annexed to and forming part of the Balance Sheet

4. Fixed Assets

Description	Gross Block (At Cost)			Depreciation/Amortisation*			Net Block		
	As at April 01, 2010	Additions	Deletions	As at March 31, 2011	As at April 01, 2010	For the Year	Deletions/ Adjustments	As on March 31, 2011	As on March 31, 2010
Freehold Land	17,937,147	1,286,500	-	19,223,647	-	-	-	19,223,647	17,937,147
Buildings	81,867,849	11,523,750	-	93,391,599	17,299,727	2,768,273	-	73,323,599	64,568,122
Plant and Machinery	408,823,645	80,198	-	408,903,843	144,245,167	21,586,933	-	243,071,743	264,578,478
Furniture and Fixtures	2,584,842	2,250,029	-	4,834,871	697,785	275,436	-	3,861,650	1,887,057
Computers	5,302,812	2,625,463	-	7,928,275	1,701,652	1,048,355	-	5,178,268	3,601,160
Office Equipment	5,817,785	1,890,275	-	7,708,060	710,736	324,685	-	6,672,639	5,107,049
Vehicles	10,842,460	265,000	-	11,107,460	2,865,979	1,030,034	-	7,211,447	7,976,481
Total	533,176,540	19,921,215	-	553,097,755	167,521,046	27,033,716	-	358,542,993	365,655,494
Previous Year	523,427,039	9,749,501	-	533,176,540	140,226,591	27,294,455	-	365,655,494	-

Capital work-in-progress [including advances - Rs. 9,975,877 (2010 - Rs. 11,903,723) Unsecured, Considered Good]

Refer Note II - No. 17 of Schedule 18

16,181,475

15,700,856

GREENKO ENERGIES PRIVATE LIMITED
Schedules annexed to and forming part of the Balance Sheet

(Amount in Rupees)

	2011	2010
5. Investments		
Long Term (At cost)		
Other than Trade (Unquoted)		
A) Subsidiary Companies*		
(a) AMR Power Private Limited 3,987,500 (2010 - 2,602,500 Equity Shares of Rs.100 each fully paid-up)	493,325,416	354,825,416
(b) Astha Projects (India) Private Limited 17,324,996 (2010 - 2,880,000) Equity Shares of Rs.10 each fully paid-up	587,767,589	97,594,560
(c) Ecofren Power & Projects Private Limited 12,354,100 Equity shares of Rs.10 each fully paid-up	124,342,027	124,342,027
(d) Fortune Five Hydel Projects Private Limited 10,000 (2010 - Nil) Equity Shares of Rs.10 each fully paid-up	100,250,000	-
(e) Greenko Godavari Power Projects Private Limited 5,000 (2010 - Nil) Equity Shares of Rs.10 each fully paid-up	50,000	-
(f) Greenko Hatkoti Energy Private Limited# 4,900 (2010 - 4,900) Equity Shares of Rs.10 each fully paid-up	114,049,000	49,000
(g) Greenko Wind Projects Private Limited 10,000 (2010 - Nil) Equity Shares of Rs.10 each fully paid-up	100,000	-
(h) ISA Power Private Limited 12,322,715 Equity shares of Rs.10 each fully paid-up	142,721,091	142,721,091
(i) Jasper Energy Private Limited 14,900,000 (2010 - 11,000,000) Equity Shares of Rs.10 each fully paid-up	150,200,000	111,200,000
(j) Kukke Hydro Projects Private Limited 10,000 Equity Shares of Rs.10 each fully paid-up	47,345,244	47,345,244
(k) LVS Power Private Limited 39,942,988 Equity Shares of Rs.10 each fully paid-up	1,078,460,676	1,078,460,676
(l) Ratnagiri Wind Power Projects Private Limited 105,000,000 (2010 - Nil) Equity Shares of Rs.10 each fully paid-up	1,050,000,000	-
(m) Ravikiran Power Projects Private Limited @ 12,000,000 Equity Shares of Rs.10 each fully paid-up	133,733,800	133,733,800
(n) Roshni Powertech Private Limited \$ 11,500,000 Equity Shares of Rs.10 each fully paid-up	120,319,156	120,319,156
(o) Sai Spurthi Power Private Limited 16,850,272 (2010 - 12,790,585) Equity Shares of Rs.10 each fully paid-up	393,406,639	298,603,462
(p) Sai Teja Energies Private Limited 21,772 (2010 - Nil) Equity Shares of Rs.10 each fully paid-up	48,000,000	-
(q) Sneha Kinetic Power Projects Private Limited 52,526,000 (2010 - 494,500) Equity Shares of Rs.10 each fully paid-up	730,431,500	197,800,000
(r) Technology House (India) Private Limited # 20,100 Equity Shares of Rs.10 each fully paid-up	21,984,765	21,984,765
(s) Visveswarayya Green Power Private Limited 50,000 Equity shares of Rs.10 each fully paid-up	3,715,414	3,715,414
	5,340,202,317	2,732,694,611
B) Others*		
(a) Rithwik Energy Ceneration Private Limited 1,480,500 Equity Shares of Rs.10 each fully paid-up	14,805,000	14,805,000
(b) Hemavathy Power & Light Private Limited 20,000,000 (2010 - Nil) Equity Shares of Rs.10 each fully paid-up	190,975,000	-
	205,780,000	14,805,000

GREENKO ENERGIES PRIVATE LIMITED
Schedules annexed to and forming part of the Balance Sheet

(Amount in Rupees)

	2011	2010
Government Securities		
National Savings Certificate	500	500
	500	500
Current Investments: (Valued at cost or fair value)		
Investment in Mutual Funds		
(i) SBI Infrastructure Fund (200,000 Units of Rs.10 each fully paid-up)	1,874,000	2,000,000
(ii) Reliance Liquid Plus Fund-Retail Option, Daily Dividend [760.443 Units of Rs.1,001.09 each fully paid-up (2010 - 723.522 units of Rs.1,001.09 each fully paid-up)]	761,296	724,310
	2,635,296	2,724,310
Total	5,548,618,113	2,750,224,421
@ - Refer Note No. II - 2 (c) of Schedule 18		
\$ - Refer Note No. II - 2 (d) of Schedule 18		
* - Refer Note No. II - 5 (a) of Schedule 18		
# - Refer Note No. II - 5 (b) of Schedule 18		
6. Inventories (At cost or below)		
Raw Materials	16,499,598	13,544,473
Stores and Spares	17,202,820	16,869,967
	33,702,418	30,414,440
7. Sundry Debtors (Unsecured, considered good)		
- Debts outstanding for a period exceeding six months	49,056,187	42,002,098
- Other debts	32,053,699	33,934,430
	81,109,886	75,936,528
8. Cash and Bank Balances		
Cash on hand	1,175,106	1,142,031
Balances with Scheduled Banks		
- on Current Accounts	215,829,780	398,804,721
- on Deposit Accounts *	448,927,828	304,236,159
	665,932,714	704,182,911
* - includes Rs. 336,726,391 (2010 - Rs.299,829,003) pledged with the bankers towards the loans sanctioned to the subsidiaries/Company and towards bank guarantees issued on behalf of the Company.		
9. Other Current Assets (Unsecured and considered good)		
Interest Accrued on Deposits	13,941,116	6,174,721
	13,941,116	6,174,721

GREENKO ENERGIES PRIVATE LIMITED
Schedules annexed to and forming part of the Balance Sheet

(Amount in Rupees)

	2011	2010
10. Loans and Advances		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	159,527,179	172,337,129
Advance to Subsidiary Companies	1,838,675,875	1,856,767,975
Advance to Companies under Same Management	360,028,811	251,725,687
Advance for Purchase of Equity - Subsidiary	138,513,000	114,000,000
Advance for Purchase of Equity - Others*	113,170,542	412,606,072
Deposits		
- With Government and Public Bodies	427,603	108,147
- With Others	6,650,331	8,937,375
MAT Credit Entitlement	4,329,729	4,329,729
Advance Income Tax (Net of Provisions)	4,687,516	7,192,276
	2,626,010,586	2,828,004,390
* - Advance for Equity represents amounts paid under Memorandum of Understanding with various parties which have been identified as potential entities to be acquired in the future.		
11. Current Liabilities and Provisions		
(a) Liabilities		
Sundry Creditors		
- Dues to Micro, Small and Medium Enterprises*		
- Dues other than Micro, Small and Medium Enterprises	769,489,538	172,645,949
Other Liabilities	1,343,419	1,507,217
	770,832,957	174,153,166
(b) Provisions		
Provision for Employee Benefits	1,634,629	738,485
	1,634,629	738,485
* - Refer Note No.II -16 of Schedule 18		

GREENKO ENERGIES PRIVATE LIMITED

Schedules annexed to and forming part of the Profit and Loss Account

(Amount in Rupees)

	2011	2010
12. Sales		
Sale of Electrical Energy	287,849,057	265,883,402
Sale of Emission Reductions	223,367,294	20,377,155
	511,216,351	286,260,557
13. Other Income		
Dividend Income from Current Investments	97,654	28,189
Interest on Fixed Deposits (Gross)	60,573,564	35,102,659
[Tax Deducted at Source Rs.6,338,016 (2010 - Rs.5,000,546)]		
Interest from Others (Gross)	-	680,547
[Tax Deducted at Source Rs.Nil (2010 - 154,212)]		
Provision no longer required written back	363,989	870,000
Insurance Claims received	113,711	-
	61,148,918	36,681,395
14. Generation Expenses		
Consumption of Raw Materials	184,137,097	141,888,259
Consumption of Stores and Spares	14,716,887	9,167,685
Operation and Maintenance Expenses	12,195,211	13,738,990
Purchase of Emission Reductions	106,741,670	-
Repairs and Maintenance - Machinery	3,463,910	2,650,572
	321,254,775	167,445,506
15. Payments and Benefits to Employees		
Salaries, allowances and benefits to employees	35,001,406	29,685,521
Contribution to Provident and Other Funds	3,849,293	1,051,543
Staff Welfare Expenses	3,240,818	2,222,008
	42,091,517	32,959,072
16. Administration and Other Expenses		
Rent	1,043,578	2,836,386
Rates and Taxes	9,530,232	5,168,113
Insurance	2,464,155	2,350,758
Travelling Expenses	10,583,448	5,189,638
Communication Expenses	4,480,008	4,651,804
Printing and Stationery	1,697,589	855,790
Repairs and Maintenance-Others	7,060,023	8,787,205
Professional Charges	12,588,233	6,266,609
Advertisement Expenses	512,577	824,644
Security Charges	2,566,721	2,098,390
Auditors' Remuneration		
- Statutory Audit	1,378,750	1,130,000
- Out of Pocket Expenses	-	44,134
Diminution in Value of Current Investments	126,000	-
Donations	3,800	18,600
(Gain)/Loss on Exchange Fluctuations (net)	6,576,216	(4,621,224)
Business Promotion Expenses	636,399	1,961,063
Miscellaneous Expenses	1,911,691	567,880
	63,159,420	38,129,790
17. Finance Charges		
Interest on Term Loans	32,132,886	36,164,168
Interest on Working Capital Loans	137,413	1,368,244
Interest on Other Loans	33,493,969	436,285
Bank Charges	2,515,319	12,526,897
Premium on Forwad Cover (FCNR Loan)	230,622	931,245
	68,510,209	51,426,839

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I. Significant Accounting Policies

Accounting Assumptions

These accounts are prepared under the historical cost convention on a going concern basis, with revenues recognized and expenses accounted on their accrual and amounts determined as payable or receivable during the year except those with significant uncertainties and comply in all material respect with the applicable Accounting Standards notified under section 211(3C) of the Companies Act, 1956 ("the Act") and the relevant provisions of the Act.

Accounting Estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements, and the reported amounts of revenue and expenses during the reported year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the financial statement. Actual results could differ from those estimates.

Revenue Recognition

Revenue from Sale of Energy is recognised on accrual basis in accordance with the provisions of the Power Purchase Agreement entered into with Transmission Corporation of Andhra Pradesh. Claims for delayed payment charges and other claims, if any, which the company is entitled to under the Power Purchase Agreement is accounted for in the year of acceptance.

Revenue from Emission Reductions is recognized after registration of the project with United Nations Framework Convention on Climate Change (UNFCCC), generation of emission reductions and upon execution of a firm contract of sale.

Income from investments is recognized in the year in which it is accrued and stated at gross.

Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidentals attributable to bringing the asset to its working condition.

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. The impairment loss recognized in the prior years is reversed where the



GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

Depreciation

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

Investments

Investments are classified into current and long-term investments. Long term investments are valued at cost unless there is a permanent diminution in their value. Current investments are carried at lower of cost and market value. Cost of acquisition is inclusive of costs incidental to acquisition.

Inventories

Raw materials, consumables, stores and spares are valued at cost or below. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and resultant gain or loss is recognized in the Profit and Loss Account.

Employee Benefits

Defined Contribution Plan

The Company contributes to Government administered Provident Fund on behalf of its employees and has no further obligation beyond making the payment to them. Contributions to Provident Fund (defined contribution plan) are charged to Profit and Loss account as incurred on accrual basis.

Defined Benefit Plan

Liability for gratuity under the payment of Gratuity Act is funded through a scheme administered by Life Insurance Corporation of India and provision is made based on actuarial valuation carried out as at balance sheet date. The present value of obligation

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

under such defined benefit is determined based on actuarial valuation as at the Balance Sheet date, using the projected unit credit method, which recognize 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.

Liability for Leave encashment is accrued and provided for on the basis of actuarial valuation made as at the end of each accounting period.

Earnings Per Share

The earnings considered in ascertaining the company's Earnings Per Share (EPS) comprise of the Net Profit/ Loss after tax. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Dilutive potential equity share are deemed converted as of the beginning of the year unless they have been issued at a later date. The number of shares used in computing the diluted EPS comprises weighted average number of shares considered for deriving basic EPS and also weighted average of the number of equity shares which could have been issued on conversion of dilutive potential equity shares.

Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the tax rate enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent that there is a virtual/reasonable certainty supported by convincing evidence that tax income will be available against which such deferred tax assets can be realized.



GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

II. Notes on Accounts

1. Capital Commitments

- a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs.2,180,000 (2010 - Rs.3,265,154).
- b) Towards investment in Equity shares of Subsidiaries and Associate Companies (net of advances towards purchase/allotment of Equity) Rs.82,082,088 (2010 - Rs. 562,810,801)

2. Contingent Liabilities

- a) Contingent Liability - Towards Income Tax Demand - with respect to Revenue Recognition - Disputed by the Company - Rs. 30,092,568 (2010 - Rs.11,875,605).
- b) Corporate Guarantees and Pledge of Fixed Deposits given in favour of Bankers for their loans to the Subsidiaries and Other Companies - Rs.6,648,381,180 (2010 - Rs. 2,374,798,862)
- c) As per the Share Purchase Agreement dated March 26, 2008 entered into between the Company, Greenko Mauritius, Ravikiran Power Projects Private Limited (Ravikiran) and the shareholders of Ravikiran, in addition to the purchase price of Rs.36,000,000 paid towards acquisition of 3,600,000 equity shares of Rs.10 each (included in the Schedule 5), Company is liable to pay an additional amount relating to collection of disputed debtors and amounts received towards state capital subsidy in the books of Ravikiran, based on transfer of land in favour of Ravikiran, which is presently in the personal name of the Director. Accordingly pending transfer of land in favour of the company and recoveries as may be made in future, in respect of the aforesaid disputed debtors and recovery of state capital subsidy, additional payments may be required to be made and added to the cost of investment which is not ascertainable at present. However, the overall obligations on all the referred matters aggregate to Rs. 14,850,000.
- d) As per the Share Purchase Agreement dated June 25, 2007 entered into between the Company, Roshni Powertech Private Limited (Roshni) and the shareholders of Roshni, in addition to the purchase price of Rs.115,000,000 paid towards acquisition of 11,500,000 equity shares of Rs.10 each, paid to the share holders of Roshni (included under Investments in Schedule 5), Company is liable to pay additional amounts based on recoveries from certain disputed debtors in the books of Roshni. Pursuant to the aforesaid agreement, a sum of Rs.4,684,916 has been paid to the share holders of Roshni (i.e, on recovery of equivalent amount, out of total disputed debtors of Rs.71,917,004 in the books of Roshni) and added to the cost of Investments in Roshni during the year 2009-10. Further based on the recoveries, if any, made in future, in respect of the

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

aforesaid disputed debtors, additional payments may be required to be made and added to the cost of investment which is not ascertainable at present.

- e) As at March 31, 2011, the Company has a contractual commitment deliver 324,436 (2010 - Nil) Emission Reductions to a third party at a fixed price.

If the Company is unable to generate sufficient quantities of Emission Reductions (ERs) to fulfil its remaining contractual commitment to the third party, the ERs would need to be sourced from elsewhere by the Company. Whilst the projected cost of these alternate ERs is indeterminable, it is possible that the Company would have to acquire the ERs at market prices in excess of their contractual sales value.

3. The Company has entered into a Power Purchase Agreement (PPA) with Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) for its two biomass power generating units at Chennur and Sattenapalli on August 17, 2001 and March 08, 2002 respectively for sale of power.

As per the terms of the PPA, the electricity tariff was fixed on the basis of Policy - OP No.1075/2000 upto the financial year 2003-04 and with effect from financial year 2004-2005 would be decided by Andhra Pradesh Electricity Regulatory Commission (APERC). APERC vide its order dated March 20, 2004 fixed tariff for five years, i.e., 2004-05 to September 2009 and directed APTRANSCO to implement the same.

Aggrieved with the tariff revised by APERC, Biomass Energy Developers Association filed an appeal before the Hon'ble High Court of Andhra Pradesh and obtained an order on August 20, 2004 directing APTRANSCO to implement its revised tariff and also additionally pay 50% of the differential amount between the old and the revised tariff, with effect from June 2004 and also further ordered to approach the Appellate Tribunal, New Delhi.

The Appellate Tribunal - New Delhi, vide its order dated June 2, 2006, directed the APTRANSCO to continue power purchase at the same rates at which the power generated by Non-conventional Energy Developers were supplying before passing of the above mentioned order on March 20, 2004 by APERC.

Aggrieved by this, APTRANSCO filed an appeal with Honourable Supreme Court, which has vide its order dated July 24, 2006, directed that no coercive steps shall be taken until further orders.

Honourable Supreme Court has remanded the matter back to APERC with a direction that it shall hear the Non-Conventional Energy generators afresh and fix/ determine the tariff for purchase of electric energy in accordance with law expeditiously. Management is confident that APERC will review the matter favourably and is confident of recovering the entire

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Schedule-18 : Significant Accounting Policies and Notes on Accounts

outstanding of Rs.31,887,348 from APTRANSCO. Accordingly no provision has been considered necessary against the said Receivables.

In the meantime Revenue was recognized by the company as per the interim order of the Honorable High Court of Andhra Pradesh. As a matter of prudence the higher entitlement of tariff has not been recognized in the books of account. Adjustments, if any will be made based on the final outcome of the case. However, as a matter of abundant caution, the Company has set aside an amount of Rs. 5,000,000 during the financial year 2006-07 as a Contingency Reserve to meet future eventuality, if any.

4. Secured Loans

(a) Rupee Term Loan (other than term loan from Yes Bank) and Foreign Currency Loans are secured against first charge by way of hypothecation of all movable properties including plant and machinery and all other movable properties both present and future, and mortgage of land, buildings and all other immovable properties both present and future and additionally secured by personal guarantees of Directors, pledge of shares which are in the name of the holding company and lien on fixed deposits of Rs. 37,345,211.

(b) Terms of security of Rupee Term Loan availed from Yes Bank

- (i) Second exclusive charge on fixed and current assets of the existing project;
- (ii) First exclusive charge on fixed and current assets of Astha Projects (India) Private Limited;
- (iii) First exclusive charge on fixed and current assets of Roshini Powertech Private Limited;
- (iv) Escrow of receivables of Astha Projects (India) Private Limited and Roshini Powertech Private Limited;
- (v) Pledge of 30% of company's shareholding in Astha Projects (India) Private Limited and non disposal undertaking for the balance investments;
- (vi) Personal guarantee of Mr. Mahesh Kolli and Mr. Anil Kumar Chalamalasetty;
- (vii) Non disposal undertaking of sponsor directors Mr. Mahesh Kolli and Mr. Anil Kumar Chalamalasetty for their share holding in Greenko Group Plc. and
- (viii) DSRA in the form of fixed deposit with the bank for three months interest.

5. Investments

(a) Pledge of shares held in subsidiary companies given as security for the loans obtained from banks:

Name of the Company	No. of Shares Pledged	
	2011	2010
AMR Power Private Limited	2,572,125	1,791,375

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Astha Projects (India) Private Limited	5,197,499	---
Hemavathy Power & Light Private Limited	20,000,000	---
Jasper Energy Private Limited	7,820,000	4,520,000
Ratnagiri Wind Power Projects Private Limited	65,000,000	---
Ravikiran Power Projects Private Limited	4,500,000	4,500,000
Roshini Powertech Private Limited	3,220,000	---
Sai Spurthi Power Private Limited	9,102,365	---

(b) Cost of investments includes payment made towards shares for which ownership are to be transferred in favour of the Company on a later date as per the Share Purchase Agreement.

6. During the year the Company allotted 120,890,200 Equity Shares of Rs.10 each at a premium of Rs.30 to its Holding Company. (2010 - 32,044,833 Equity Shares of Rs. 10 each at a premium of Rs. 10)
7. The Company has further received Rs.378,600,000 towards share application money. The issued share capital of Rs.2,643,350,330 together with the share application money exceeds the authorized share capital. The Company is in the process of increasing its Authorized Share Capital.

8. Employee Benefits

(i) Defined Benefit Plan

The following table sets forth the status of Gratuity plan (funded) and Leave Encashment Plan (Unfunded) of the company and the amounts recognized in the Balance Sheet and Profit and Loss Account.

(Amount in Rupees)

Particulars	2011		2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Projected benefits obligation at the beginning of the year (As at April 01)	1,064,051	616,244	1,484,424	226,976
Current service cost	1,090,932	613,012	450,144	226,012
Interest cost	87,252	48,597	118,096	15,251
Actuarial loss/(gain)	(224,135)	(35,565)	(972,171)	220,693
Benefits paid		(47,184)	(16,442)	(72,688)

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GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Particulars	2011		2010	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Projected benefit obligation at the end of the year (As at March 31)	2,018,100	1,195,104	1,064,051	616,244
Amounts recognized in the Balance Sheet				
Projected benefit obligation at the end of the year	2,018,100	1,195,104	1,064,051	616,244
Fair value of Plan Assets at the end of the year	1,578,575	---	941,810	---
Funded Status of the Plan - (asset)/ liability	(1,578,575)	---	(941,810)	---
(Assets)/ Liability recognized in the balance sheet	439,525	1,195,1041	122,241	616,244
Change in Fair Value of Assets				
Fair value of Plan Assets at the beginning of the year	941,810	---	664,762	---
Expected Return on Plan Assets	96,747	---	70,591	---
Actual Contributions	540,018	47,184	229,900	72,688
Actuarial Gain/ (Loss)	---	---	(7,001)	---
Benefits paid	---	(47,184)	(16,442)	(72,688)
Fair value of Plan Assets at the end of the year	1,578,575	---	941,810	---
Cost for the year				
Current service cost	1,090,932	6,13,012	450,144	226,012
Interest cost	87,252	48,597	118,096	15,251
Expected return on plan assets	(109,064)	---	(70,591)	---
Net actuarial (gain)/ loss recognized in the year	(211,818)	(35,565)	(965,170)	220,693
Net Cost	857,302	626,044	(467,521)	461,956

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

The principal assumptions used in determining gratuity /leave encashment obligations for the Company's plan are shown below:

	March 31, 2011	March 31, 2010
Discount rate	8.17%	8.20%
Salary escalation rate (per annum)	7.00%	7.00%
Expected rate of return on plan assets	9.00%	9.00%
Attrition rate [Past Service (PS)]		
PS 0-12	5%	5%
PS12-22	3%	3%
PS22-42	2%	2%

The estimates of future salary increases, considered in actuarial valuation, taken on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Defined Contribution Plan

In respect of the Defined Contribution Plan (Provident Fund) an amount of Rs.2,290,890 (2010 - Rs.1,377,972) has been recognized in the Profit and Loss Account.

9. The Company operates in Single Business Segment of Generation of Power and in a Single Geography. Accordingly disclosure requirements of Accounting Standard 17 - Segment Reporting as notified under Section 211 (3C) of the Companies Act, 1956 have not been furnished.

10. Related Party Transactions

(a) Names of Related Parties and description of relationship

<u>Description of Relationship</u>	<u>Names of the related parties</u>
Ultimate Holding Company	Greenko Group Plc
Holding Company	Greenko Mauritius
Fellow Subsidiaries	Black Hawk Corporation Glory Corporation Limited
Fellow Subsidiary's Subsidiaries	Hemavathy Power & Light Private Limited* Rithwik Energy Generation Private Limited Tanco Limited

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Subsidiary Companies

AMR Power Private Limited
Astha Projects (India) Private Limited
Ecofren Power & Projects Private Limited
Fortune Five Hydel Projects Private Limited*
Greenko Godavari Power Projects Private Limited*
Greenko Hatkoti Energy Private Limited
Greenko Wind Projects Private Limited*
ISA Power Private Limited
Jasper Energy Private Limited
Kukke Hydro Projects Private Limited
L V S Power Private Limited
Ratnagiri Wind Power Projects Private Limited*
Ravikiran Power Projects Private Limited
Roshni Powertech Private Limited
Sai Spurthi Power Private Limited
Sai Teja Energies Private Limited*
Sneha Kinetic Power Projects Private Limited
Technology House (India) Private Limited
Visveswarayya Green Power Private Limited

* Relationship with the above mentioned parties has come into existence during the current year.

b) Summary of transactions with related parties is as follows:

Ultimate Holding Company

Nature of Transaction	(Amount in Rupees)	
	2011	2010
Sale of Emission Reductions	12,483,894	20,377,155
Share Application Money Received and Returned	(4,469,320)	(75,993,411)
Balance receivable	12,942,319	21,018,036

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Holding Company

Nature of Transaction	(Amount in Rupees)	
	2011	2010
Equity shares allotted (including securities premium)	4,515,159,670	640,896,660
Share application money received	702,486,500	3,615,357,253
Share application money refunded	(323,886,500)	---
Share application money pending allotment	378,600,000	3,552,475,543
Purchase of Equity Shares	---	64,591,800
Balance receivable	---	7,569,399

Fellow Subsidiaries

Nature of Transaction	(Amount in Rupees)	
	2011	2010
Glory Corporation Limited		
Balance receivable	---	792,680
Black Hawk Corporation		
Purchase of Equity Shares	130,000,000	---
Balance receivable	---	97,500

Subsidiary Companies

Nature of Transaction	(Amount in Rupees)	
	2011	2010
AMR Power Private Limited		
Advances given	136,550,763	133,950,454
Purchase of Equity Shares	(47,501,000)	---
Purchase of Emission Reductions	(21,309,410)	---
Balance receivable	310,913,639	243,173,286
Astha Projects (India) Private Limited		
Advances given	295,120,592	---
Balance receivable	295,120,592	---
Ecofren Power & Projects Private Limited		
Advances given	---	267,553,618
Receipt of Advance	(137,005,803)	---
Purchase of Emission Reductions	(26,226,340)	---

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GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Nature of Transaction	2011	2010
Balance receivable	179,753,708	342,985,851
Fortune Five Hydel Projects Private Limited		
Advances given	11,229,820	---
Balance receivable	11,229,820	---
Greenko Godavari Power Projects Private Limited		
Advances given	2,541,988	---
Purchase of Equity Shares	(100,000)	---
Balance receivable	2,541,988	---
Greenko Hatkoti Energy Private Limited		
Advances given	44,006,615	22,567,175
Share Application Money, pending allotment	(55,000,000)	---
Balance receivable	11,700,458	22,693,843
Greenko Wind Projects Private Limited		
Advances given	421,848	---
Balance receivable	421,848	---
ISA Power Private Limited		
Advances given	35,186,815	56,112,118
Purchase of Emission Reductions	(27,701,900)	---
Balance receivable	161,696,733	154,211,818
Jasper Energy Private Limited		
Advances given	106,193,432	110,856,016
Purchase of Emission Reductions	(3,987,490)	---
Balance receivable	273,596,978	171,391,036
Kukke Hydro Projects Private Limited		
Advances given	9,911,335	9,727,883
Share Application Money, pending allotment	(15,000,000)	---
Balance receivable	4,639,218	9,727,883
LVS Power Private Limited		
Advances given/(taken) Net	(322,045,341)	56,021,258

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GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Nature of Transaction	2011	2010
Sale of Equity Shares	50,000	---
Balance receivable/(payable)	(265,974,083)	56,021,258
Ratnagiri Wind Power Projects Private Limited		
Advances given	4,591,172	---
Purchase of Equity Shares	(1,050,000,000)	---
Balance receivable	4,591,172	---
Ravikiran Power Projects Private Limited		
Advances given	---	346,595,031
Refund of Advance	(121,220,078)	---
Purchase of Emission Reductions	(14,990,180)	---
Balance receivable	313,431,476	449,641,734
Roshni Powertech Private Limited		
Advances given	190,275,713	38,489,091
Balance receivable	255,116,588	64,840,875
Sai Spurthi Power Private Limited		
Advances given/(taken) Net	(155,118,991)	30,000,000
Balance receivable/(payable)	(125,118,991)	30,000,000
Sai Teja Energies Private Limited		
Advances given	1,009,885	---
Balance receivable	1,009,885	---
Sneha Kinetic Power Projects Private Limited		
Advances given	136,395,988	294,559,954
Purchase of Equity Shares	(420,000,000)	---
Balance receivable	10,955,942	294,559,954
Technology House (India) Private Limited		
Advances given	2,320,487	6,825,063
Share Application Money, pending allotment	(9,500,000)	---
Balance receivable	144,824	7,324,337
Visveswarayya Green Power Private Limited		

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GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

Nature of Transaction	2011	2010
Advances given	1,614,905	2,632,813
Share Application Money, pending allotment	(10,000,000)	---
Balance receivable	1,811,005	10,196,100
Fellow Subsidiary Subsidiaries		
Nature of Transaction	2011	2010
Rithwik Energy Generation Private Limited		
Advances given	121,719,654	234,043,754
Purchase of Emission Reductions	(12,526,350)	---
Balance receivable	360,028,811	250,835,507
Hemavathy Power & Light Private Limited		
Advances given/(taken) Net	(241,869,478)	---
Balance payable	(241,869,478)	---

11. Lease Obligations

The Company has entered into certain operating lease agreements which are cancelable in nature and amounts paid under such agreements amounting to Rs. 1,043,578 (2010 - Rs. 2,836,386) has been disclosed as rent under Schedule 16.

12. Earnings Per Share (EPS)

Particulars	2011	2010
Nominal Value of Equity Shares (Rupees per Share)	10	10
Profit after Taxation (Rupees)	38,078,647	1,786,594
Weighted average number of Equity Shares outstanding during the year considered for calculation of Basic EPS	215,405,436	135,336,655
Add: Dilutive Potential Equity Shares	285,370	32,695,753
Weighted average number of Equity . shares outstanding during the year considered for Diluted EPS	215,690,806	168,032,408
EPS - Basic (Rupees)	0.18	0.01
EPS - Diluted (Rupees)	0.18	0.01

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

13. Deferred Tax Liability/(Asset) (Net)

(Amount in Rupees)

Particulars	2011	2010
Deferred Tax Liability		
On Depreciation	24,401,170	21,335,139
Deferred Tax Asset		
On Employee Benefits	(1,339,350)	(290,739)
Deferred Tax Liability/(Asset)(Net)	23,061,820	21,044,400

14. Advances to Companies under same management and the maximum amount outstanding during the year is as given below:

(Amount in Rupees)

Sl. No.	Name of the Company	Balance as at March 31		Maximum amount outstanding during the year	
		2011	2010	2011	2010
1.	Glory Corporation Limited	---	792,680	792,680	792,680
2.	Black Hawk Corporation	---	97,500	97,500	97,500
3.	Rithwik Energy Generation Private Limited	360,028,811	250,835,507	365,897,139	250,835,507

15. Additional information pursuant to para 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI to the Companies Act, 1956:

(i) Licensed Capacity, Installed Capacity, Actual Production and Sales

Particulars	2011	2010
Licensed Capacity*	12 MW	12 MW
Installed Capacity*	12 MW	12 MW
Actual Generation (Million KWH)	81.85	76.30
Units Sold (Million KWH)	71.87	67.79

* The details of Licensed and Installed Capacity are as Certified by the Management.

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

(ii) Consumption of Raw Material

(Amount in Rupees)

Description	2011		2010	
	Quantity in MT	Amount in Rupees	Quantity in MT	Amount in Rupees
Rice Husk	90,014	147,512,804	67,862	96,779,742
Ground Nut Husk	10,840	18,477,225	6,272	11,182,424
Other biomass products	18,459	18,147,068	26,357	33,926,093
Total	119,313	184,137,097	100,491	141,888,259

(iii) Consumption of Raw Materials, Stores and Spare Parts

Description	2011		2010	
	Value in Rupees	%	Value in Rupees	%
Indigenous				
Raw Materials	184,137,097	100%	141,888,259	100%
Stores and Spare parts	14,716,887	100%	9,167,685	100%

(iv) Auditors' Remuneration

(Amount in Rupees)

Particulars	2011	2010
Statutory Audit	1,378,750	1,130,000
Out of Pocket Expenses	---	44,134
Total	1,378,750	1,174,134

(v) Earnings in Foreign Currency

(Amount in Rupees)

Particulars	2011	2010
Sale of Emission Reductions	12,483,894	20,377,155

16. The information regarding micro, small and medium enterprises has been identified on the basis of information available with the company.

Based on the information available with the company, there are no micro, small and medium enterprises to whom the company has paid interest or any interest payable on outstanding (under the provisions of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006) during the year ending March 31, 2011.

GREENKO ENERGIES PRIVATE LIMITED

Schedule-18 : Significant Accounting Policies and Notes on Accounts

17. The depreciation for the year continues to be charged at the rates applicable to the assets of the company as per the rates specified under Schedule XIV of the Companies Act, 1956.

The recent circular issued by Ministry of Corporate Affairs (MCA) vide Circular No .51/23/2011-CL-III dated May 31, 2011 is not considered for changing depreciation policy of the company as it requires clarity from the Department of Company Affairs for the purpose of implementation of required policy.

The management is therefore is of the view that providing depreciation under Schedule XIV of the Companies Act, 1956 is appropriate and adequate unless until otherwise advised by the regulators.

18. Additional information pursuant to Para 3, 4, 4A, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 to the extent "Nil" or "Not Applicable" has not been furnished.
19. Previous year's figures have regrouped, recast and reclassified where ever necessary to conform to current year's classification

For BRAHMAYYA & CO.

FR No: 000511S

Chartered Accountants



N. Sri Krishna

Partner

Membership No.26575

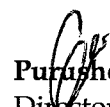
For and on behalf of the Board of Directors
Greenko Energies Private Limited



Anil Kumar.C
Director



Mahesh Kolli
Director



Purushotham C
Director (Finance) and
Company Secretary

Place: Chennai

Date: 29/08/2011

Place: Hyderabad

Date: 29/08/2011

GREENKO ENERGIES PRIVATE LIMITED
SCHEDULE VI
PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(1) Registration Details:

Registration No.: 34990 State Code.: 01

Balance Sheet Date: 31/03/2011

(2) Capital Raised during the year(Amount in rupees):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

(3) Position of Mobilisation and Development of Funds:(Amount in Rupees):

Total Liabilities	8,571,571,715	Total Assets	8,571,571,715
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Sources of Funds:

Paid up Capital	3,021,950,330	Reserves & Surplus	5,089,031,324
Secured Loans	437,528,241	Unsecured Loans	-

Application of Funds:

Net Fixed Assets	374,724,468	Investments	5,548,618,113
Net Current Assets	2,648,229,134	Miscellaneous Expenditure	-
Accumulated Losses	-		

(4) Performance of Company (Amount in Rupees):

Turnover	511,216,351	Total Expenditure	522,049,637
Profit/Loss before Tax	50,315,632	Profit/Loss after Tax	38,078,647
Earning per share in Rs.	0.18	Dividend Rate	-

(5) Generic Names of three Principal Products/services of the Company (as per monetary terms)

Product Description: Generation of Power