

Partners

V. ANANT RAO, FCA, DISA, CISA, CISSP, CISM

B.V. MALLIKARJUNA, FCA



ANANT RAO & MALLIK

CHARTERED ACCOUNTANTS

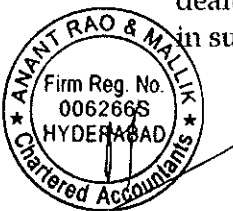
#B-409/410, Kushal Towers, Khairatabad, Hyderabad - 500 004. Phone : 23320286, Fax : 040-66360666, E-mail : armcas@gmail.com

AUDITORS' REPORT

The Members,
KSK WIND ENERGY PRIVATE LIMITED,
Hyderabad.

We have audited the attached Balance Sheet of KSK WIND ENERGY PVT LTD, Hyderabad, as at March 31, 2011, Profit & Loss Account for the period ended on that date and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section(3C) of section 211 of the Companies Act, 1956 ;



- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on March 31, 2011 from being appointed as directors in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956.
- f) In our Opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to the Significant Accounting Policies and Notes to Accounts thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India;
- (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (ii) In the case of Profit & Loss Account of the Loss for the period ended on that date
- (iii) In the case of Cash Flow Statement of the cash flows of the Company for the year ended on that date.

for ANANT RAO & MALLIK
Chartered Accountants


B.V.MALLIKARJUNA

Partner

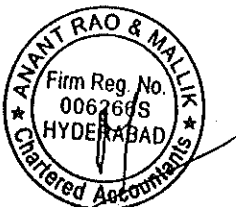
M.No. : 23350

Date : 29.04.2011



Annexure to Auditors' Report
(Referred to in Paragraph 2 of our report of even date)

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The Company has carried out physical verification of Fixed Assets during the year and no material discrepancies were noticed as compared to book record.
 - c. The Company has not disposed off any fixed assets during the year and the going concern status of the Company is not affected.
2. As the company does not carry any inventories, the clauses in respect of inventories are not applicable.
3. During the year, the company has received and repaid unsecured loans from and to its holding company and its fellow subsidiaries. The unsecured loan outstanding as on 31st March, 2011 was Rs.19,846.69 lakhsr. In our opinion, considering the nature of transactions, the terms and conditions of such advances are prima facie not prejudicial to the interests of the company.
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 for the purchase of fixed assets and also for the income arising out of services rendered by the company.
5. The Company has not accepted any deposits from the public.
6. In our opinion, the Company does not have Internal Audit System.
7. The Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956(Act I of 1956) for any of the products of the Company.
8. According to the information and explanations given to us, the schemes of PF & ESI are not applicable to the company.
9. According to the information and explanations given to us, there are no disputed dues of sales tax / income tax / customs / wealth tax / excise duty / cess.
10. As per the accounts referred to in this Report, the Company has accumulated losses as at the end of the financial year amounting to Rs.141,434,633. The company has incurred cash losses during the year.
11. The Company has taken a term loan from a financial institution and not defaulted in repayment of dues. .



12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause-4(xiii) of the Companies (Auditors' Report) Order, 2003, is not applicable to the Company.
14. The Company has not dealt in or traded in shares, securities, debentures and other investments except investing in a listed company as a long term investment.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has raised term loans from banks and the amounts have been utilized for the purpose for which they are taken.
17. The Company has obtained loans against deposits from a bank to fund its working capital requirements. The funds so raised for short term purposes have been used only for meeting working capital needs and not utilized for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

for ANANT RAO & MALLIK
Chartered Accountants


B.V.MALLIKARJUNA

Partner

M.No. : 23350

Date : 29.04.2011



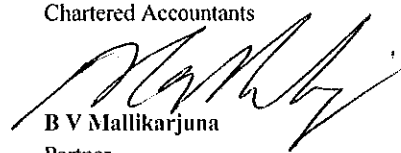
KSK Wind Energy Private Limited
(Formerly Bahur Power Company Private Limited)
Balance Sheet as at March 31, 2011
(All amounts in Indian rupees, except share data and where otherwise stated)

	Schedule	As at March 31,2011	As at March 31,2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	49,100,000	105,000
Share Application Money		25,875,000	-
Reserves and Surplus	2	101,430,000	-
Loan Funds			
Secured loans	3	1,984,669,644	-
Unsecured loans	4	291,700,153	754,086,986
		<u>2,452,774,797</u>	<u>754,191,986</u>
APPLICATION OF FUNDS			
Fixed Assets			
Fixed assets			
Gross block	5	872,906,104	-
Less: Accumulated depreciation		107,501,480	-
Net block		<u>765,404,624</u>	-
Capital Work in progress	6	228,247,997	6,760,693
		<u>993,652,621</u>	<u>6,760,693</u>
Investments			
	7	52,813,077	-
Current assets, loans and advances			
Cash and bank balances	8	103,242,609	69,857
Loans and advances	9	1,288,293,557	748,856,106
		<u>1,391,536,166</u>	<u>748,925,963</u>
Less : Current liabilities and provisions			
	10		
Current liabilities		126,054,915	550,075
Provisions		606,785	944,595
		<u>126,661,700</u>	<u>1,494,670</u>
Net Current assets		1,264,874,466	747,431,293
Profit & Loss Account		141,434,633	-
		<u>2,452,774,797</u>	<u>754,191,986</u>

Statement on Significant accounting policies and notes to accounts 16

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.

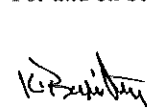
for Anant Rao & Mallik
Chartered Accountants

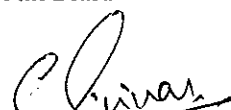

B V Mallikarjuna
Partner

Member Ship No.23350
Firm Registration Number: 006266S
Place : Hyderabad
Date : 29/04/2011



For and on behalf of the Board


K Bapi Raju
Director


C. Srinivas
Director

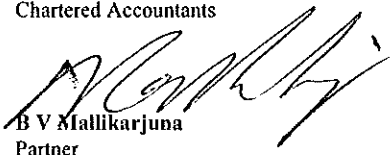
KSK Wind Energy Private Limited
(Formerly Bahur Power Company Private Limited)
Profit and Loss Account for the year ended March 31, 2011
(All amounts in Indian rupees, except share data and where otherwise stated)

	Schedule	For the year ended March 31, 2011
Income		
Sale of Electricity	11	108,046,193
Other Income	12	68,991,926
		177,038,119
Expenditure		
Personnel expenses	13	14,368,528
Administration and Other expenses	14	10,231,189
Finance Charges	15	186,371,555
Depreciation	5	107,501,480
		318,472,752
Net Profit/ (loss) before tax		(141,434,633)
Provision for Tax		
- Current		-
- Mat Credit Entitlement		-
Net Profit/ (loss) after tax		(141,434,633)
Balance in profit and loss account brought forward		-
Balance in profit and loss account carried forward		(141,434,633)
Earnings per share-par value of Rs.10 per share		
- Basic & diluted		(429.05)

Statement on Significant Accounting Policies and Notes to Accounts 16


The Schedules referred above and the notes forming part of accounts form an integral part of Profit and Loss account.

for Anant Rao & Mallik
Chartered Accountants


B V Mallikarjuna
Partner
Member Ship No.23350
Firm Registration Number: 006266S
Place : Hyderabad
Date : 29/04/2011



For and on behalf of the Board

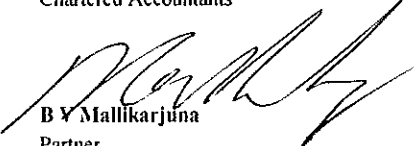

K Bapi Raju C. Srinivas
Director Director

KSK Wind Energy Private Limited (Formerly Bahur Power Company Private Limited)
(All amounts in Indian rupees, except share data and where otherwise stated)
Cash Flow Statement for the year ended March 31, 2011

	As at March 31, 2011	As at March 31, 2010
A Cash Flow from Operating Activities		
Net profit as per Profit & Loss Account	(141,434,633)	-
Adjustments for :		
Depreciation	107,501,480	-
Preliminary expenses written off	34,880	-
Interest Income	(66,603,533)	-
Dividend Income	(2,388,393)	-
Interest Expenditure	184,077,558	-
Other finance cost	2,293,997	-
Operating Profit before Working Capital Changes	83,481,356	-
Adjustments for :		
(Increase)/ Decrease in Loans and advances	(454,734,551)	(744,788,472)
Increase/(Decrease) in Current Liabilities	10,782,145	541,208
Cash Generated from Operations	(360,471,050)	(744,247,264)
Income tax paid	(944,595)	(451,959)
Net Cash from Operating Activities	(361,415,645)	(744,699,223)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets (including Capital work in Progress)	(228,219,412)	(617,846)
Purchase of undertaking	(757,278,365)	-
Interest received	62,900,632	451,959
Advance for Investment in Unlisted Company	(81,000,000)	-
Investment in Listed Company	(52,813,077)	-
Dividend received	2,388,393	-
Redemption of mutual funds	-	-
Net Cash from/(used in) Investing Activities	(1,054,021,829)	(165,887)
C Cash Flow from Financing Activities		
Repayment of short term Borrowings	(458,299,847)	747,200,000
Share Application Money received	25,875,000	-
Proceeds from issue of Shares	150,425,000	-
Proceeds from Long term borrowings	2,537,520,791	-
Repayment of Long term loans	(559,713,738)	-
Interest paid	(174,902,983)	(2,329,110)
Other finance cost	(2,293,997)	-
Net Cash from (used in) Financing Activities	1,518,610,226	744,870,890
Net Increase/(Decrease) in Cash and Cash Equivalents	103,172,752	5,780
Cash and Cash Equivalent - Opening Balance	69,857	64,077
Cash and Cash Equivalent - Closing Balance	103,242,609	69,857
Cash and cash equivalents at the end of the year:		
Cash in hand	99,281	10,007
Balances with scheduled banks:		
in current accounts	22,955,828	59,850
in deposit accounts	80,187,500	-
	103,242,609	69,857

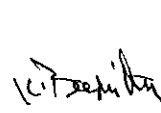
This is the Cash Flow Statement referred to in our Report of even date


for Anant Rao & Mallik
Chartered Accountants


B Y Mallikarjuna
Partner
Member Ship No.23350
Firm Registration Number: 006266S
Place : Hyderabad
Date : 29/04/2011



For and on behalf of the Board

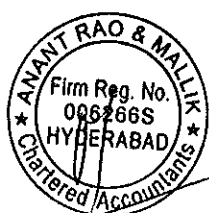

K Bapi Raju
Director


C. Srinivas
Director

KSK Wind Energy Private Limited
(Formerly Bahur Power Company Private Limited)
 (All amounts in Indian rupees, except share data and where otherwise stated)

Schedules to the Balance Sheet

	As at March 31,2011	As at March 31,2010
1 Share Capital		
Authorised :		
500,000 (As at 31 March 2010: 100,000) Equity Shares of Rs. 10/- each	5,000,000	1,000,000
45,00,000 (As at March 2010: NIL) 16% Optionally Convertible Cumulative Preference Shares of Rs.10/- each	45,000,000	-
	<u>50,000,000</u>	<u>1,000,000</u>
Issued, Subscribed and Paid-up :		
Equity shares		
500,000 Equity Shares of Rs. 10 each fully paid-up (As at 31 March 2010: 10,500)	5,000,000	105,000
	<u>5,000,000</u>	<u>105,000</u>
Preference shares		
4,410,000 (As at March 2010: NIL)16.00% Optionally Convertible Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	44,100,000	-
	<u>44,100,000</u>	<u>-</u>
2 Reserves and Surplus		
Share premium	101,430,000	-
	<u>101,430,000</u>	<u>-</u>
Note		
The above 370,000 (As at 31 March 2010: 10,500) Equity Shares of Rs.10 each, fully paid up are held by the holding company, KSK Energy Ventures Limited.		
130,000 Equity Shares of Rs.10 each fully paid-up (As at 31 March 2010: NIL) are held by Chemplast Sanmar Ltd		
The above 4,410,000 (As at 31 March 2010: NIL) Preference Shares of Rs. 10 each, fully paid up are held by the holding company, KSK Energy Ventures Limited.		
3 Secured loans		
Long Term Loans		
Infrastructure Development Finance Company Limited (Note 1)	1,222,972,172	-
State Bank of India (IFB) (Note 2)	640,598,873	-
Short Term Loans		
Short term loans from Banks (LAD) (Secured against Deposits with Banks)	121,098,599	-
	<u>1,984,669,644</u>	<u>-</u>
Note 1 : First charge on all current and future immovable properties including Plant & Machinery, Machinery Spares, Tools & accessories etc., first charge on all Cash flows, Receivables, book debts and revenues of the company both present & future.		
Note 2: EM of approx. 43.03 acres of land located at different windmill sites in Tamilnadu belonging to the company and also hypothecation of 52 WTG's.		
4 Unsecured loans		
Short-term		
From others	291,700,153	754,086,986
	<u>291,700,153</u>	<u>754,086,986</u>



KSK Wind Energy Private Limited
(Formerly Bahur Power Company Private Limited)
(All amounts in Indian rupees, except share data and where otherwise stated)

Schedules to the Balance Sheet

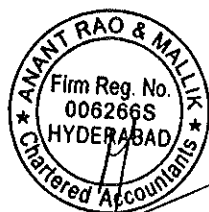
	As at March 31, 2011	As at March 31, 2010
6 Capital work in progress		
a. Expenditure pending allocation		
Engineering Services	3,584,750	-
Communication expenses	6,354	14,559
Travelling and conveyance	469,795	224,950
Repairs & maintenance	27,000	229
Professional and consultancy charges	18,372,564	3,054,651
Licenses, taxes & legal expenses	21,075,000	58,657
Office expenses	3,029	9,779
Printing and stationery	403	25,262
Data Processing Charges	1,525	-
Recruitment Expenses	1,170	-
Bank charges	2,417	7,175
Processing charges	-	1,875,000
Interest charges	-	4,541,096
Interest on taxes	993	44
Preliminary expenses written off	-	34,880
Audit fees	-	35,638
Foreign exchange fluctuation	247	-
Fringe benefit tax	-	1,812
Income tax	-	1,396,554
	43,545,247	11,280,286
less		
Interest received from others	-	(4,519,593)
b. Advance against Capital Contracts	114,702,750	-
c. Assets under construction	70,000,000	-
	228,247,997	6,760,693
7 Investments		
Long term		
<i>(quoted, fully paid up)</i>		
Thiru Arooran Sugars Ltd	52,813,077	-
330818 shares @ Rs.159.64 (March 2010 : Nil)		
(Market Value as on March 31, 2011 is Rs.32,420,164)		
	52,813,077	-
8 Cash and Bank Balances		
Cash in hand	99,281	10,007
Balances with Scheduled Banks :		
in Current accounts	22,955,828	59,851
in Deposit accounts	80,187,500	-
(Out of which Rs.80,000,000 is pledged as security against LAD relating to KSK Energy Company Private Limited)		
	103,242,609	69,857
9 Loans and Advances		
<i>(Unsecured, considered good)</i>		
Advances recoverable in cash or in kind or for value to be received	213,423,022	203,000
Other Advances	1,067,100,000	744,585,472
Interest receivable	1,233,534	4,067,634
TDS Receivable	6,537,001	-
	1,288,293,557	748,856,106
10 Current liabilities and provisions		
Current liabilities:		
Sundry Creditors	118,543,083	39,712
Other liabilities	1,112,863	510,363
Interest accrued but not due	6,398,969	-
	126,054,915	550,075
Provisions:		
Provision for Gratuity	606,785	-
Provision for Income tax	-	944,595
	606,785	944,595



KSK Wind Energy Private Limited
(Formerly Bahur Power Company Private Limited)
 (All amounts in Indian rupees, except share data and where otherwise stated)

Schedules to Profit and loss account

	For the year ended March 31, 2011
11 Income from sale of electricity	108,046,193
	<u>108,046,193</u>
12 Other Income	
Interest received	66,603,533
TDS:Rs.6,844,157/- March 2010 : NIL	
Dividend Income	2,388,393
	<u>68,991,926</u>
13 Personnel Expenses	
Salaries and wages	13,761,743
Gratuity	606,785
	<u>14,368,528</u>
14 Administration and Other expenses	
Rates and Taxes	693,590
Advertisement Expenses	1,790,180
Insurance	1,707,065
Repairs and maintenance - Others	413,000
Office Expenses	363,215
Communication expenses	245,031
Travelling and Conveyance	2,596,828
Consultancy and Other Professional Charges	2,291,570
Auditors' Remuneration:	
Audit fee	11,030
Tax Audit fee	-
Others	-
Miscellaneous Expenses	119,680
	<u>10,231,189</u>
15 Finance Charges	
Interest on term loans	172,957,197
Other interest	11,120,361
Upfront fee & Other charges	1,875,000
Finance charges	418,997
	<u>186,371,555</u>



KSK Wind Energy Private Limited
 (Formerly Bahur Power Company Private Limited)
 (All amounts in Indian rupees, except share data and where otherwise stated)
 Schedules to the Balance Sheet

5 Fixed assets

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 01, 2010	Additions	Deletions / (Adjustments)	As at March 31, 2011	As at April 01, 2010	For the period	On deletions	As at March 31, 2011	As at March 31, 2010	As at March 31, 2010
Land and Land Development	-	7,599,427	-	7,599,427	-	-	-	7,599,427	-	-
Plant and Machinery	-	864,986,975	-	864,986,975	-	107,473,971	-	107,473,971	-	-
Survey Equipment	-	51,800	-	51,800	-	1,057	-	1,057	-	-
Office Equipment	-	32,000	-	32,000	-	22,404	-	22,404	-	-
Computers	-	235,902	-	235,902	-	4,048	-	4,048	-	-
Total	-	872,906,104	-	872,906,104	-	107,501,479	-	107,501,480	-	-
As at 31.03.2010	-	-	-	-	-	-	-	-	-	-



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to Accounts

A. Significant Accounting Policies

1. Accounting Convention:

The financial statements of KSK Wind Energy Private Limited (Formerly known as Bahur Power Company Private Limited) (or "the Company") have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual including provisions/adjustments for committed obligations and amounts determined as payable or receivable during the accounting period. IGAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 1956.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of income and expenditure for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

3. Fixed Assets & Depreciation:

- i. Fixed Assets are shown at historical cost.
- ii. Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of purchase..
- iii. Impairment of Assets – The Company evaluates the carrying amounts of the fixed assets at the end of the every accounting year to determine whether there is any indication of impairment loss. In the event of such impairment, the present value is estimated and the loss, if any, is suitably dealt with in the accounts.
- iv. Intangible Assets, namely Computer software is recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and is amortized over a period of three years.
- v. Depreciation on fixed assets is charged on Written Down Value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- vi. Depreciation on additions / deletions from fixed Assets during the year is charged on pro-rata basis from / up to the date on which the asset becomes available for use.

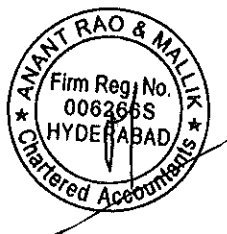
4. Capital work in progress:

Capital work in progress is carried at cost and incidental and attributable expenses including interest and depreciation on fixed assets in use during construction are carried as part of "Expenditure During Construction Period, Pending Allocation" to be allocated on major assets on commissioning of the project.

In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as Capital Work-in-progress.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Claims for price variation/exchange variation in case of contracts are accounted for on acceptance.



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to accounts (continued)

5. Revenue Recognition:

Revenue from Sale of Energy is recognized on accrual basis in accordance with the provisions of relevant agreements.

Interest/surcharge recoverable on advances to suppliers as well as warranty claims/liquidated damages are not treated as accrued due to uncertainty of realization/acceptance and are therefore accounted for on receipt/acceptances.

Insurance Claims for loss of profit are accounted for in the year of acceptance. Other Insurance Claims are accounted for based on certainty of realization.

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

6. Investments:

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost and fair value.

7. Operations and Maintenance:

The company has entered into a Service Agreement for Operation and Maintenance of plant including regular and major maintenance over the term of the agreement. Amounts payable under the agreements are charged to the profit and loss account

8. Foreign Currency Transaction:

Foreign Currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

At the Balance Sheet date, foreign currency monetary items are translated using the closing/contracted rate. Non monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction. The differences in translation of monetary assets and liabilities and realized gains and losses on foreign currency transactions are recognized in the statement of profit and loss account.

9. Taxes on Income:

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

10. Cash Flow Statement:

Cash flows are reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to accounts (continued)

11. Provisions and contingencies:

The Company recognizes a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

(i) Contingent Liabilities:

Particulars	As at March 31, 2011	As at March 31, 2010
(a) Arrears of dividend on cumulative preference shares not provided for	6,572,712	-
(b) Tax on preference dividend	1,091,645	-

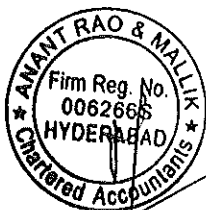
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for :

Particulars	As at March 31, 2011	As at March 31, 2010
Estimated value of contracts remaining to be executed on capital account not provided for	1,788,700,500	-Nil-

Notes forming part of Accounts

1. Employee benefit plans

The following table sets out the status of the gratuity plan as required under AS 15 (Revised) adopted by the company :



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to accounts (continued)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Benefit obligation at the beginning of the period	-	-
Service cost	348,338	-
Interest cost	-	-
Actuarial (gain) / loss	258,447	-
Benefits paid	-	-
Benefit obligation at the end of the year/ period	606,785	-

Amount recognized in the balance sheet

Particulars	As at March 31, 2011	As at March 31, 2010
Present value of funded obligations	-	-
Fair value on plan assets	(606,785)	-
Net Asset/ (Liability)	(606,785)	-

Expense recognized in the profit and loss account

Particulars	For the year ended March 31 2011	For the year ended March 31 2010
Current service cost	348,338	-
Interest on defined benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial (Gain)/Loss recognized in the year/period	258,447	-
Past Service cost	-	-
Amount included in "personnel expense"	606,785	-

Asset information

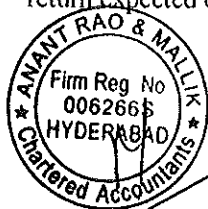
Category of Assets	As at March 31, 2011	As at March 31, 2010
Insurer managed funds	100%	-

Summary of actuarial assumptions

Particulars	For the year ended March 31, 2010	For the year ended March 31, 2010
Discount rate	8.17%	-
Expected return on plan assets	15%	-

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to accounts (continued)

2. Deferred Tax:

The Company is entitled to avail exemption under Section 80IA of the Income Tax Act, 1961 from Income Tax on profits of business. Deferred tax has been computed after considering the timing differences, which originate in the tax holiday period and gets reversed during the tax holiday period. No deferred tax liability/ (asset) has been recognised for the current period.

3. Segment Reporting

Pursuant to the explanation in AS 17 on "Segment Reporting", prescribed by The Company's (Accounting Standards) Rules, 2006, no segment disclosure has been made in these financial statements, as the Company has only one geographical and business segment.

4. Related Party Transactions:

1. Names of related Parties and description of the relationship:

S.No	Name of the Related party	Nature of relationship
Related Parties where control exists:		
1	KSK Energy Ventures Limited	Holding Company
2	Wardha Power Company Limited	Fellow Subsidiary
3	KSK Mahanadi Power Company Limited	Fellow Subsidiary
4	Sai Regency Power Corporation Private Limited	Fellow Subsidiary
5	KSK Mineral Resources Private Limited	Fellow Subsidiary
6	KSK Energy Resources Private Limited	Fellow Subsidiary
7	SN Nirman Infra Projects Private Limited	Fellow Subsidiary
Key Management Personnel and their relatives		
1	K Bapi Raju	Director
2	C Srinivas	Director

B) Related party transactions during the period ended :

S. No.	Nature of transaction	Nature of relationship	Name of the Company	March 31, 2011	March 31, 2010
1	Un secured loan (received)	Holding Company	KSK EVL	152,200,000	947,525,000
2	Un secured loan (repaid)	Holding Company	KSK EVL	101,625,000	1,692,110,472
	Un secured loan (repaid)	Fellow subsidiary	KSK MPCL	450,000,000	---
3	Un secured loan (repaid)	Fellow subsidiary	WPCL	300,000,000	---
4	Un secured loan (received)	Fellow subsidiary	WPCL	----	300,000,000
5	Un secured loan (received)	Fellow subsidiary	KSK MPCL	----	450,000,000
	Loans and Advances	Holding Company	KSK EVL	350,008,759	---
6		Fellow Subsidiary	SN Nirman	21,100,000	---
	Interest paid	Fellow subsidiary	KSK MPCL	4,647,945	4,541,096
7	Interest Paid	Fellow subsidiary	WPCL	3,098,630	---
8	Amount payable	Holding Company	KSK EVL	3,500,153	---
9	Project Development Fee	Holding Company	KSK EVL	67,669,050	---
10	Interest received	Holding company	KSK EVL	62,114,444	4,519,593



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to accounts (continued)

C) Balance with related parties:

Includes the following amount due to/ due from the related parties as at:

S.No	Nature of transaction	Nature of relationship	Name of the Company	As at March 31, 2011	As at March 31, 2010
1	Loans and advances	Holding Company	KSK EVL	1,046,000,000	744,585,472
		Fellow Subsidiary	SN Nirman	21,100,000	---
2	Un secured loan	Fellow subsidiary	WPCL	---	300,000,000
3	Un secured loan	Fellow subsidiary	KSK MPCL	---	450,000,000
	Interest accrued and due	Fellow subsidiary	WPCL	---	1,634,794
4	Interest accrued and due	Fellow subsidiary	KSK MPCL	---	2,452,192
5	Interest receivable	Holding Company	KSK EVL	---	4,067,634
6	Un secured loan	Holding Company	KSK EVL	155,500,153	---

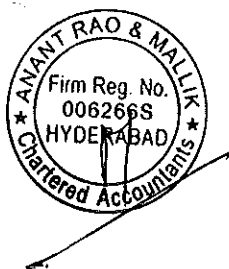
5. Earnings per Share:

Particulars	For the period from April 01, 2010 to March 31, 2011	For the period from April 01, 2009 to March 31, 2010
Net Loss as per profit and loss account	(141,434,633)	Nil
Less: Preference dividend	6,572,712	Nil
Dividend tax	1,091,645	Nil
Net Loss attributable to equity share holders	(149,098,991)	Nil
Weighted average number of equity shares	347,514	Nil
Basic & Diluted (Loss) per share	(429.05)	Nil
Face value of shares		

6. Auditors' Remuneration

Particulars	For the year Ended March 31, 2011	For the year ended March 31, 2010
Audit fees (excluding service tax)	10,000	10,000

7. As at March 31, 2011 there are no amounts including interest payable to Micro, Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company.



Schedules to the Balance Sheet (continued)

(All amounts in Indian Rupees, except where otherwise stated)

Schedule 16: Notes to accounts (continued)

8. Additional Information pursuant to para 3, 4, 4-C and 4-D of Part II of Schedule VI to the Companies Act, 1956.

II Licensed capacity, installed capacity, actual production :

Particulars	For the year ended March 31, 2011
Licensed capacity	20.45
Installed capacity	20.45
Units Generated (in mn.kwh)	37.92
Units sold (in mn.kwh)	37.31

9. Additional information pursuant to para 3, 4, 4-A, and 4-D of part II of Schedule VI to the Companies Act, 1956 to the extent either "Nil" or "Not Applicable" has not been furnished.

10. Previous year figures have been regrouped / reclassified to make them comparable where -ever necessary.

For and on behalf of
Anant Rao & Mallik
Chartered Accountants

for KSK Wind Energy Private Limited


B V Mallikarjuna

Partner

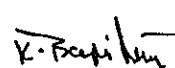
Member Ship No. 23350


Firm Registration Number: 006266S

Place: Hyderabad

Date: 29/04/2011




K Bapi Raju
Director


C Srinivas
Director

KSK Wind Energy Private Limited
(Formerly Bahur Power Company Private Limited)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No.	047721	State Code No	01
Balance Sheet Date	31/03/2011		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private placement	48,995

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	2,452,775	Total Assets	2,452,775
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Sources of Funds

Paid-up Capital	49,100	Reserves & Surplus	101,430
Secured Loans	1,984,670	Unsecured loans	291,700
Share application money	25,875		

Application of Funds

Net Fixed Assets	993,653	Investments	52,813
Net Current Assets	1,264,874	Miscellaneous expenditure	-
Accumulated Losses	141,435		

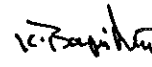
IV. Performance of Company (Amount in Rs. Thousands)


Turnover	177,038	Total Expenditure	318,473
<input type="checkbox"/> + <input type="checkbox"/> Profit before tax	(141,435)	<input type="checkbox"/> + <input type="checkbox"/> Profit after tax	(141,435)
Earnings per share (in Rs.)		Dividend rate (%)	NIL
Basic & Diluted	(429.05)		

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code. No. (ITC Code)	Not Applicable
Product Description	Generation of power

For and on behalf of the Board


K Bapi Raju
 Director


S. Srinivas
 Director

Place : Hyderabad

Date : 29/04/2011