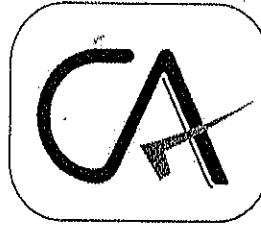


CA. Chaitanya C. Dalal
F. C. A.
CA. Haresh B. Purohit
F.C.A., D.I.S.A. (ICAI)
CA. Rayomand F. Jilla
A.C.A., D.I.S.A. (ICAI)



Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS
111, Maker Chambers-III
11th Flr, 223, Nariman Point
MUMBAI: 400 021, INDIA
☎ Off: 22873338, 22040533
Telefax : 22025167
e.mail: chaitanya@caccd.com

AUDITORS' REPORT

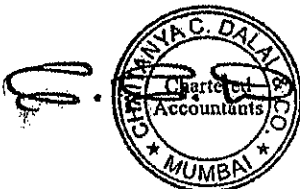
To,
The Members,
PRAVARA RENEWABLE ENERGY LIMITED
Mumbai

We have audited the attached Balance Sheet of **PRAVARA RENEWABLE ENERGY LIMITED** as at 31st March, 2011 and the Profit and Loss Account and also Cash Flow Statement of the Company for the period 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:

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement(s). An audit includes examining on a test basis, evidence supporting the amount and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


And we report that:

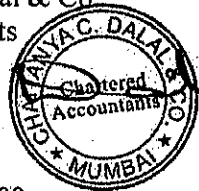
1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclosed in the Annexure is the statement on matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - 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 accounts as required by law have been kept by the company so far as it appears from our examination of these books;
 - c) In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion the Balance Sheet and Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable.
 - e) In our opinion and from the information gathered from the company, none of the directors are disqualified from continuing on the Board under 274(1) (g) of the Companies Act, 1956.



- f) in our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and notes thereon given the information required by the Companies Act, 1956 in the manner so required and given a true and fair view:
- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2011 and
 - ii) In the case of the Profit and Loss Account of the loss of the Company for year ended on that date and
 - iii) In the case of Cash Flow Statement, of the Cash flows for the period ended on that date.

For Chaitanya C. Dalal & Co
Chartered Accountants


Chaitanya C. Dalal
Partner
Membership No. 35809
(Reg No: 101632W)
UDIN: 035809PREL001100116052011101632W



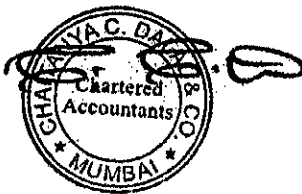
Place: Mumbai
Date: 16th May, 2011



PRAVARA RENEWABLE ENERGY LIMITED

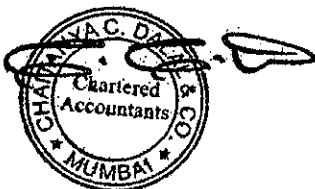
Annexure referred to in paragraph I of our report of even date

- (i)
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained above the fixed assets have been required to be physically verified by the management during the period, which in our opinion is reasonable having regard to the size of the company and nature of business.
 - (c) The company has not disposed off any part of fixed assets during the period.
- (ii) The company has no inventory. Therefore, the provisions of the clause 4(ii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- (iii)
- (a) During the period under review, the company has not granted any unsecured loans to any party covered in register maintained under u/s 301 of the act. Accordingly, the provisions of clause 4(iii)(b),(c) and (d) of the Companies (Auditor' Order) 2003 is not applicable to the company
 - (e) During the period under review, the Company has taken unsecured loan from one company covered in register maintained under u/s 301 of the act amounted to Rs. 4,50,000.
 - (f) In our opinion the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company is not required to be seen.
 - (g) The company is repaying the principal amounts as stipulated and is also regular in payment of interest, wherever applicable.
- (iv) 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 audit, no major weakness has been noticed in these internal controls.
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956;
- (a.) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b.) In our opinion and explanation given to us the transactions made in pursuance to contract or arrangement entered in the register maintained u/s 301 of the act in respect of any party during the period have been made at the prices which are reasonable having regard to prevailing market price at that time.



M/s Chaitanya C. Dalal & Co.
Chartered Accountants


- (vi) The company has not accepted any deposits from the public.
- (vii) In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
- (viii) No cost records are required to be maintained under section 209 (1) (d) of companies act, 1956.
- (ix)
 - (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund and Employees State Insurance Dues. There are no arrears as at 31st March, 2011 for a period of more than six months from the date they become payable.
 - (b) According to the information and explanation given to us there are no disputed statutory dues.
- (x) Since the company has not completed five years clause (x) of the companies (Auditors' Report) Order, 2003 is not applicable.
- (xi) Based on our audit procedure and on the information and explanations given by management we are of opinion that the company has not defaulted in repayment of its dues to any financial institution or bank.
- (xii) The company is not a chit fund or a Nidhi mutual benefit fund/ society therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order) 2003 is not applicable to the company.
- (xv) The company has not given guarantees for loans taken by other from banks or financial institutions.
- (xvi) According to the information and explanation given to us the company has not obtained term loans and it was applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us and overall examination of the balance sheet of the company, we report that no funds on short-term basis have been used for long- term investment. No long term funds have been used to finance short -term assets.
- (xviii) The company has not made preferential allotment of shares to Parties and companies covered in the register maintained under section 301 of the act.



M/s Chaitanya C. Dalal & Co.
Chartered Accountants

- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor' Order) 2003 is not applicable to the company.
- (xx) The company has not raised any money through a public issue during the period.
- (xxi) Based upon the audit procedures performed and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Chaitanya C. Dalal & Co.
Chartered Accountants

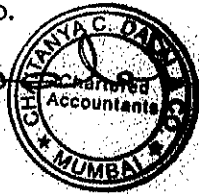

(Chaitanya C. Dalal)

Partner

Membership No. 35809

(Reg No: 101632W)

UDIN: 035809PREL001100116052011101632W



Place: Mumbai

Date: 16th May, 2011

PRAVARA RENEWABLE ENERGY LIMITED


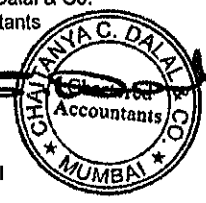
BALANCE SHEET AS AT MARCH 31, 2011

(All amounts in Rupees)

	Sch. No.	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS :			
Shareholders' Funds :			
- Share Capital	1	70,000,000	70,000,000
- Share Application Money		<u>105,708,680</u>	<u>88,000,000</u>
		175,708,680	158,000,000
UNSECURED LOANS	2	450,000	-
TOTAL		<u>176,158,680</u>	<u>158,000,000</u>
APPLICATION OF FUNDS :			
Fixed Assets :			
- Gross Block	3	1,357,996	1,110,440
- Accumulated Depreciation and Amortisation		<u>115,892</u>	<u>10,328</u>
		1,242,104	1,100,112
Capital Work in Progress	4	80,942,108	77,369,985
Investments	5	740,341	-
Current Assets, Loans and Advances :			
- Cash & Bank Balances	6	164,254	1,983,220
- Loans & Advances	7	<u>90,053,354</u>	<u>90,135,878</u>
		90,217,608	92,119,098
Less: Current Liabilities and Provisions :			
- Current Liabilities	8	<u>513,935</u>	<u>14,375,505</u>
		513,935	14,375,505
Net Current Assets		89,703,673	77,743,593
Miscellaneous Expenditure : (To the extent not written off or adjusted)	9	-	-
Profit and Loss Account		3,530,454	1,786,310
TOTAL		<u>176,158,680</u>	<u>158,000,000</u>
Notes to Accounts	11		

The schedules referred to above and notes to accounts form part of the Balance Sheet.

As per our report of even date.
For Chaitanya C. Dalal & Co.
Chartered Accountants

Chaitanya C. Dalal
Partner
Membership No : 35809

For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited


Director


Director

Place : Mumbai
Date : May 16, 2011



PRAVARA RENEWABLE ENERGY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(All amounts in Indian Rupees)

	Sch. No.	Year Ended March 31, 2011	Year Ended March 31, 2010
<u>INCOME :</u>			
Share of Profit in Partnership Firm		740,326	-
		<hr/> 740,326	<hr/> -
<u>EXPENDITURE :</u>			
Establishment Expenses	10	2,484,470	1,737,812
Depreciation		-	10,328
		<hr/> 2,484,470	<hr/> 1,748,140
Profit / (Loss) before tax		<hr/> (1,744,144)	<hr/> (1,748,140)
Less : Provision for tax		-	-
Profit / (Loss) after tax		<hr/> (1,744,144)	<hr/> (1,748,140)
Less : Prior Period expenses			
Preliminary and Share Issue Expenses written off		-	32,140
Fringe benefit tax for prior years		-	6,030
Net Profit / (Loss)		<hr/> (1,744,144)	<hr/> (1,786,310)
Loss Brought forward		<hr/> (1,786,310)	<hr/> -
Loss carried forward to the Balance Sheet		<hr/> (3,530,454)	<hr/> (1,786,310)
EARNINGS PER SHARE			
Weighted Average No. of Equity Shares Outstanding		7,000,000	7,000,000
Nominal Value of Equity Shares in Rupees		10	10
Basic and Diluted Earnings per share		(0.25)	(0.26)
Notes to Accounts	11		

The schedules referred to above and notes to accounts form part of the Profit & Loss Account.

As per our report of even date.
For Chaitanya C. Dalal & Co.
Chartered Accountants

For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited

Chaitanya C. Dalal
Partner
Membership No : 35809

Place : Mumbai
Date : May 16, 2011



(Handwritten signature of Chaitanya C. Dalal)



(Handwritten signature of a Director)

Director

(Handwritten signature of another Director)

Director

PRAVARA RENEWABLE ENERGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(All amounts in Indian Rupees)

	Year Ended March 31, 2011	Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and extraordinary Items	(1,744,144)	(1,748,140)
Adjustments for :		
- Depreciation	105,564	10,328
- Preliminary Expenses / Deferred Revenue written off	-	-
	<u>105,564</u>	<u>10,328</u>
Operating Profit before Working Capital Changes	(1,638,580)	(1,737,812)
Adjustments for :		
- Trade and Other Receivables	-	-
- Trade Payables & Working Capital Finance	-	-
	<u>-</u>	<u>-</u>
Net Cash from Operating activities	(1,638,580)	(1,737,812)
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
- Purchase of Asset	(247,556)	(1,110,440)
- Capital work in progress	(17,351,169)	(87,443,853)
- Investments in Partnership	(740,341)	-
Net Cash used for Investment activities	(18,339,066)	(88,554,293)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
- Share Application Money received	17,708,680	89,500,000
- Proceeds from Borrowing	450,000	-
	<u>18,158,680</u>	<u>89,500,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,818,966)	(792,105)
Closing Balance	164,254	1,983,220
Opening Balance	1,983,220	2,775,325
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,818,966)	(792,105)

Note : Figures in brackets denote outflows.

Components of Cash and Cash Equivalents

With Banks :



On Current Account

164,254	1,983,220
<u>164,254</u>	<u>1,983,220</u>

As per our report of even date.

For Chaitanya C. Dalal & Co.

Chartered Accountants

Chaitanya C. Dalal
Partner
Membership No : 35809

For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited



Director



Director

Place : Mumbai
Date : May 16, 2011

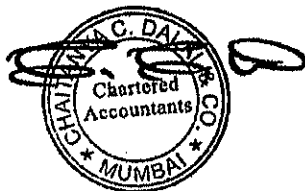


PRAVARA RENEWABLE ENERGY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2011
(All amounts in Indian Rupees)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL :		
Authorised :		
20,000,000, (Previous year 7,000,000) Equity Shares of Rs 10/- each fully paid-up	200,000,000	70,000,000
	<u>200,000,000</u>	<u>70,000,000</u>
Issued Subscribed and Paid-up :		
7,000,000 (Previous year 7,000,000) Equity Shares of Rs 10/- each fully paid-up (fully held by the holding company Gammon Infrastructure Projects Ltd)	70,000,000	70,000,000
	<u>70,000,000</u>	<u>70,000,000</u>
SCHEDULE 2		
UNSECURED LOANS :		
Intercorporate Loans :		
From Related Party :		
Gammon Infrastructure Projects Limited, Holding Company	450,000	-
	<u>450,000</u>	<u>-</u>

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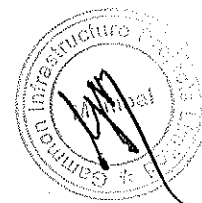
PRAVARA RENEWABLE ENERGY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011
(All amounts in Indian Rupees)

SCHEDULE 3

FIXED ASSETS

	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As on 01.04.2010	Additions during the year	As at 31.03.2010	For the year	As on 31.03.2011	As on 31.03.2010
Office Equipments	98,850	134,135	13	11,067	221,905	98,837
Motor Cars and Vehicles	638,615	-	3,491	60,668	574,456	635,124
Furniture and Fixtures	340,875	104,494	6,325	27,179	411,865	334,550
Computers	32,100	8,927	499	6,650	33,878	31,601
Grand Total	1,110,440	247,556	10,328	105,564	1,242,104	1,100,112
(Previous Year)	-	1,110,440	-	10,328	1,100,112	

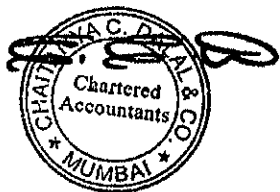


PRAVARA RENEWABLE ENERGY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(All amounts in Indian Rupees)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4		
CAPITAL WORK IN PROGRESS :		
Opening Balance	17,869,985	2,583,891
- Project Expenses	65,379	-
- Developer Fees	-	13,236,000
	<u>65,379</u>	<u>13,236,000</u>
Establishment Expenses	1,318,992	698,130
Personnel Costs	2,178,889	1,352,273
Financial Costs	8,883	1,691
	<u>21,442,108</u>	<u>17,869,985</u>
Add :		
- Opening Balance	59,500,000	-
- Mobilisation Advance paid to the EPC contractor	-	59,500,000
- Less : Mobilisation Advance recovered	-	-
	<u>59,500,000</u>	<u>59,500,000</u>
	<u><u>80,942,108</u></u>	<u><u>77,369,985</u></u>
SCHEDULE 5		
INVESTMENTS		
Investment in the Partnership Firm :	740,341	-
	<u>740,341</u>	<u>-</u>
SCHEDULE 6		
CASH & BANK BALANCES :		
Balance with Scheduled Bank in Current Account	164,254	1,983,220
	<u>164,254</u>	<u>1,983,220</u>
SCHEDULE 7		
LOANS & ADVANCES :		
Advances recoverable in cash or in kind	90,053,354	90,135,878
	<u>90,053,354</u>	<u>90,135,878</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
- Sundry Creditors	-	-
- Others	-	200,922
	<u>-</u>	<u>200,922</u>
- Dues to :		
- Related Party :		
- Gammon Infrastructure Projects Limited, Holding Company	19,341	-
- Pataliputra Highway Limited	15	-
- Gammon Logistic Limited	-	11,912,400
	<u>19,356</u>	<u>11,912,400</u>
Statutory Liabilities	51,109	1,439,828
Other Liabilities	443,470	822,357
	<u>513,935</u>	<u>14,375,505</u>

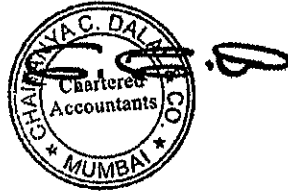


PRAVARA RENEWABLE ENERGY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(All amounts in Indian Rupees)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 9		
MISCELLANEOUS EXPENSES :		
- Preliminary Expenses	-	32,140
- Share Issue Expenses	-	-
	<u>-</u>	<u>-</u>
Less : Written off during the year	-	32,140
	<u>-</u>	<u>32,140</u>
	<u>-</u>	<u>-</u>
SCHEDULE 10		
ESTABLISHMENT EXPENSES :		
Administration Expenses :		
- ROC Fees	1,500	3,020
- Gift Expenses	10,000	-
- Registration Expenses	42,420	-
- Share Issue Expenses	910,000	-
- Stamp Duty Paid	1,402,020	-
- Stamping / Franking Charges	105,000	-
- Seminar Expenses	2,500	-
- Computer Expenses	-	1,875
	<u>2,473,440</u>	<u>1,875</u>
Professional, Consultancy and Legal Fees	-	4,995
Auditors' Remuneration	11,030	1,727,405
	<u>11,030</u>	<u>5,412</u>
	<u>2,484,470</u>	<u>1,737,812</u>



PRAVARA RENEWABLE ENERGY LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED MARCH 31, 2011**

(All amounts in Indian Rupees)

SCHEDULE: 11

NOTES TO ACCOUNTS

A. BACKGROUND :

Pravara Renewable Energy Limited (PREL) is incorporated under the Companies Act, 1956, On August 4, 2008, as a subsidiary of Gammon Infrastructure Projects Limited. The Company intends to set up a 30 MW bagasse based co-generation power project adjacent to the sugar mill of Padmashri Dr Vithalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd at Pravaranagar, District Ahmednagar, Maharashtra on Build, Own Operate and Transfer ("BOOT") basis. The scope of work includes designing, development, procurement, installation, erection, commissioning and operation of the power plant for a period of 25 years after commercial operation

B. SIGNIFICANT ACCOUNTING POLICIES :

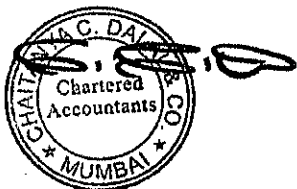
The Significant Accounting Policies adopted by the company in respect of these financial statements are set out below:

1) Basis for Preparation

The financial statements have been prepared under the historical cost convention, on an accrual basis of accounting, to comply in all material respects with the notified accounting standards by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The accounting policies discussed are consistent with those used in the previous year.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although



these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent assets are neither recognised nor recorded in financial statements.

4) During the year the company has acquired stake in a Partnership Firm named Apanra Infraenergy. Following are the details in this regard, as on March 31, 2011:

Partners	Capital Share (Rs.)	Revenue share
Pataliputra Highway Limited	4,910	16%
Jaguar Projects Developers Ltd	15	14%
Marine Projects Services Ltd	15	14%
Pravara Renewable Energy Ltd	15	14%
Ras Cities and Townships Pvt Ltd	15	14%
Tada Infra Development Co Ltd	15	14%
Youngthang Power Ventures Ltd	15	14%
Total	5,000	100%

C. OTHER NOTES

1. Related Party Disclosures :

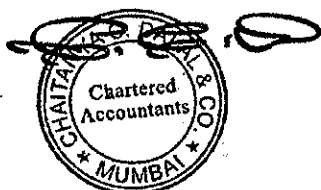
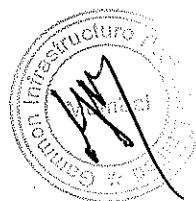
a) Relationships :

Entities where control exists:

Gammon Infrastructure Projects Limited

Fellow Subsidiaries:

Gammon Logistics Ltd



b) Related Party Transactions:

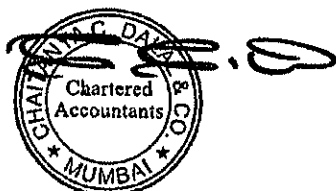
Transactions	Holding Company	Fellow Subsidiary	Total
Developer Fees Gammon Logistic Limited	- (-)	- (11,912,400)	- (11,912,400)
Amount liquidated towards the above finance Gammon Logistic Limited	- (-)	11,912,400 (-)	11,912,400 (-)
Finance received (incl. Loans & Equity contributions in cash or in kind) Gammon Infrastructure Projects Limited	18,158,680 (89,500,000)	- (-)	18,158,680 (89,500,000)
Equity Shares allotted against share application money Gammon Infrastructure Projects Limited	- (6,950,000)	- (-)	- (6,950,000)
Expenses Incurred on behalf of us Gammon Infrastructure Projects Limited	1,777,247 (4,405,597)	- (-)	1,777,247 (4,405,597)
Amount liquidated towards the above finance Gammon Infrastructure Projects Limited	1,757,906 (4,405,597)	- (-)	1,757,906 (4,405,597)
Interest Paid Gammon Infrastructure Projects Limited	769 (-)	- (-)	769 (-)
EPC Advance paid to Contractor Gammon India Limited	- (59,500,000)	- (-)	- (59,500,000)
Outstanding Balances Payable Gammon Infrastructure Projects Limited	469,341 (-)	- (-)	469,341 (-)
Gammon Logistic Limited	- (-)	- (11,912,400)	- (11,912,400)

(Previous year's figures in brackets)

2. Micro Small & Medium Enterprises:

As Per the information available with the company, there are no micro, small & medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principle amount together with the interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis information available with the company. This has been relied upon by the auditors.

3. Segment Information :As the company's business activities falls within a single primary business segment viz. BOT Operations , and it operates in a single geographical segment i.e. India, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.




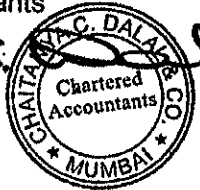
4. In the opinion of the Board of Directors, all the current assets, loans & advances have value on realisation at least of an amount equal to the amount at which they are stated in the Balance Sheet.

5. Capital Commitments :

The total estimated cost of the project remaining to be executed as on March 31, 2011 is Rs 209.00 crores (Previous year Rs 196.69 crores).

As per our report of even date.

For Chaitanya C. Dalal & Co
Chartered Accountants

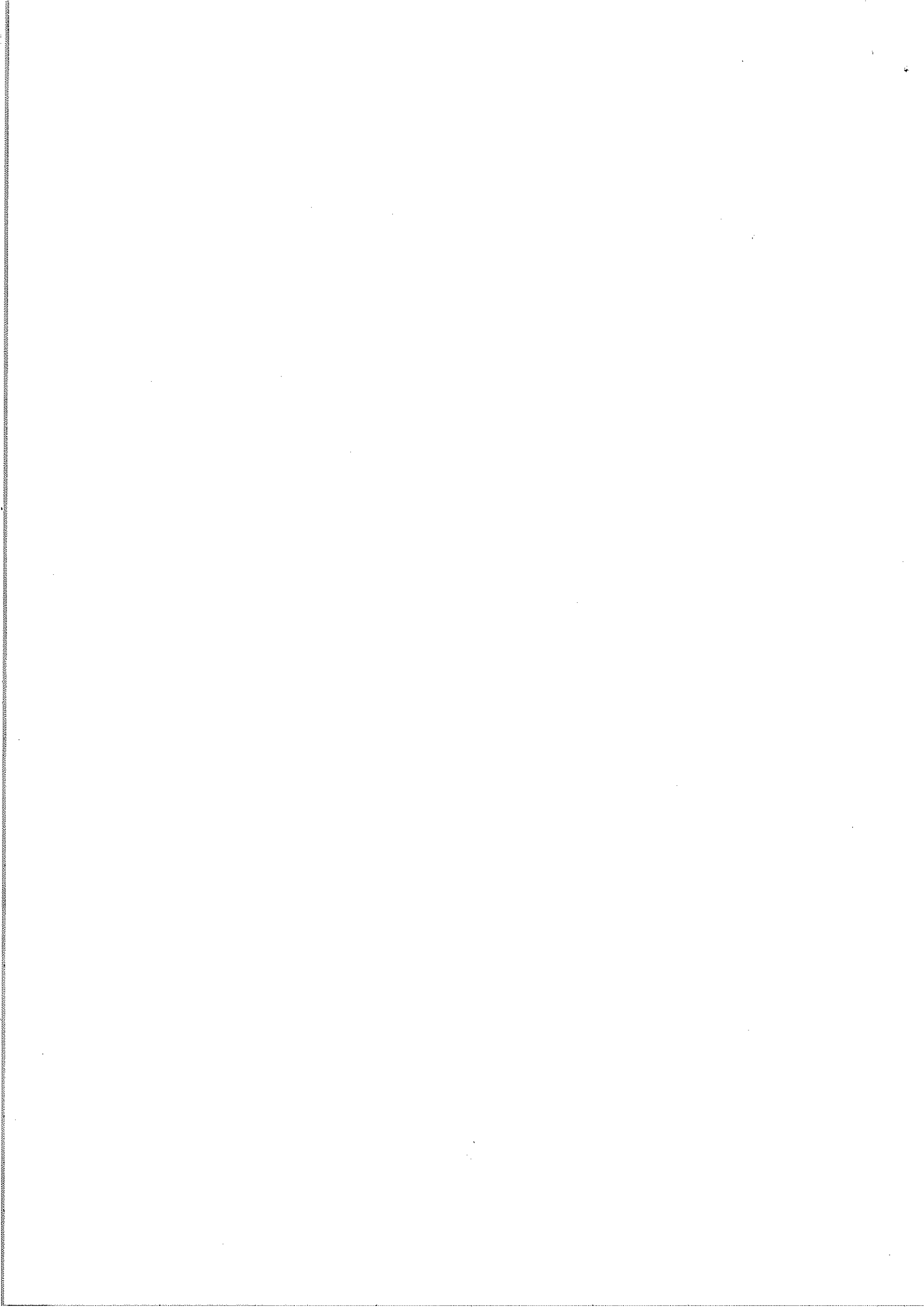
Chaitanya C. Dalal
Partner
Membership No. : 35809

For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited

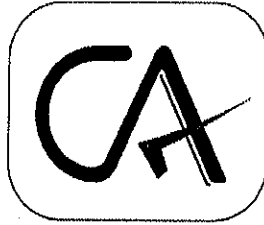

Director
Director

Place : Mumbai
Date : May 16, 2011





CA. Chaitanya C. Dalal
F. C. A.
CA. Haresh B. Purohit
F.C.A., D.I.S.A. (ICAI)
CA. Rayomand F. Jilla
A.C.A., D.I.S.A. (ICAI)



Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS
111, Maker Chambers-III
11th Fir, 223, Nariman Point
MUMBAI: 400 021. INDIA
☎ Off: 22873338, 22040533
Telefax : 22025167
e.mail: chaitanya@caacod.com

**Independent auditors' report to the members of PRAVARA
RENEWABLE ENERGY LIMITED**

Report on the financial statements

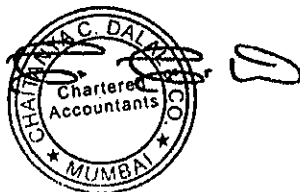
We have audited the accompanying financial statements of **PRAVARA RENEWABLE ENERGY LIMITED**, which comprise the Balance Sheet as at 31 March 2012, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 31 March 2012
- (b) In the case of the statement of profit and loss, of the loss 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors as on 31 March 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm registration number: 101632W



Chaitanya Dalal

Partner

Membership no.: 35805

Place: Mumbai

Date: 16th April 2012



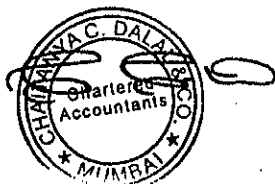
M/s Chaitanya C. Dalal & Co.

Chartered Accountants

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: **PRAVARA RENEWABLE ENERGY LIMITED:**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained above the fixed assets have been required to be physically verified by the management during the period, which in our opinion is reasonable having regard to the size of the company and nature of business.
- (c) The company has not disposed off any part of fixed assets during the period.
- (ii) The company has no inventory. Therefore, the provisions of the clause 4(ii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- (iii) (a) During the period under review, the company has not granted any unsecured loans to any party covered in register maintained under u/s 301 of the act. Accordingly, the provisions of clause 4(iii)(b),(c) and (d) of the Companies (Auditor' Order) 2003 is not applicable to the company
- (e) According to information and explanations given to us, the company has taken unsecured loans from companies firm or other parties covered in the register maintained under section 301 of the Companies Act 1956 amounting to Rs. 11,85,48,680 and the maximum amount outstanding during the year was Rs. 11,85,48,680.
- (f) In our opinion the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company is not required to be seen.
- (g) The company is repaying the principal amounts as stipulated and is also regular in payment of interest, wherever applicable.
- (iv) 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 audit, no major weakness has been noticed in these internal controls.
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956;
 - (a.) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.



M/s Chaitanya C. Dalal & Co.
Chartered Accountants

- (b.) In our opinion and explanation given to us the transactions made in pursuance to contract or arrangement entered in the register maintained u/s 301 of the act in respect of any party during the period have been made at the prices which are reasonable having regard to prevailing market price at that time.
- (vi) The company has not accepted any deposits from the public.
- (vii) In our opinion, the internal audit system of the company is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund and Employees State Insurance Dues. There are no arrears as at 31st March, 2012 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us there are no disputed statutory dues.
- (x) Since the company has not completed five years clause (x) of the companies (Auditors' Report) Order, 2003 is not applicable.
- (xi) Based on our audit procedure and on the information and explanations given by management we are of opinion that the company has not defaulted in repayment of its dues to any financial institution or bank.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a Nidhi mutual benefit fund/ society therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) According to information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order) 2003 is not applicable to the company.
- (xv) The company has not given guarantees for loans taken by other from banks or financial institutions.



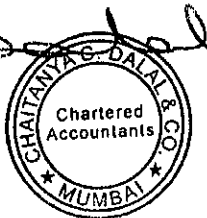
M/s Chaitanya C. Dalal & Co.
Chartered Accountants

- (xvi) According to the information and explanation given to us the company has not obtained term loans and it was applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us and overall examination of the balance sheet of the company, we report that funds on short-term basis amounting to Rs 118,548,680/- have been used for long-term investment.
- (xviii) The company has made preferential allotment of shares to Parties and companies covered in the register maintained under section 301 of the act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Order) 2003 is not applicable to the company.
- (xx) The company has not raised any money through a public issue during the period.
- (xxi) Based upon the audit procedures performed and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm registration number: 101632W

Chaitanya Dalal
Partner
Membership no.: 35805

Place: Mumbai
Date: 16th April 2012



PRAVARA RENEWABLE ENERGY LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

	Notes	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	174,000,000	70,000,000
Reserves and Surplus	4	(3,546,170)	(3,530,454)
Money received against share warrants		-	-
		<u>170,453,830</u>	<u>66,469,546</u>
Share application money pending allotment		-	-
Non - Current liabilities			
Long - term borrowing	5	118,548,680	450,000
Deferred tax liability (Net)		-	-
Other Long term liabilities		-	-
Long - term provisions		-	-
		<u>118,548,680</u>	<u>450,000</u>
Current Liabilities			
Short-term borrowings		-	-
Trade payables	6	11,236	11,030
Other current liabilities	7	2,934,674	106,211,585
Short - term provisions		-	-
		<u>2,945,910</u>	<u>106,222,615</u>
TOTAL		<u><u>291,948,420</u></u>	<u><u>173,142,161</u></u>
Assets			
Non current assets			
Fixed assets			
Tangible assets	8	1,135,233	1,242,104
Intangible assets		-	-
Capital work in progress		-	-
Intangible assets under development	9	29,609,879	21,442,108
Non current investment	10	-	740,341
Deferred tax assets (Net)		-	-
Long-term loans and advances	11	260,592,083	149,525,000
Others non-current assets		-	-
		<u>291,337,195</u>	<u>172,949,553</u>
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	12	595,376	164,254
Short-term loans and advances	11	15,849	28,354
Others current assets		-	-
		<u>611,225</u>	<u>192,608</u>
TOTAL		<u><u>291,948,420</u></u>	<u><u>173,142,161</u></u>

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

S. S. Dalal

Chaitanya C Dalal
Partner
Membership No. : 35809

Place: Mumbai
Date : April 16, 2012



For and behalf of the Board of Directors of
Pravara Renewable Energy Limited

Rajesh Pathak
Rajesh Pathak
Director

G. Sathis Chandran
G. Sathis Chandran
Director



PRAVARA RENEWABLE ENERGY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Notes	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Income			
Revenue from operations		-	-
Other income	13	(1,930)	740,326
Total income (A)		(1,930)	740,326
Expenses			
Other expenses	14	13,786	2,484,470
Total Expenses (B)		13,786	2,484,470
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A - B)		(15,716)	(1,744,144)
Depreciation and amortisation		-	-
Finance costs		-	-
Profit/(Loss) before tax		(15,716)	(1,744,144)
Tax expenses			
Current Tax		-	-
Deferred Tax		-	-
Total tax expense		-	-
Profit/(Loss) for the year		(15,716)	(1,744,144)
Earnings per equity share ('EPS')			
Basic	15	(0.001)	(0.249)
Diluted		(0.001)	(0.249)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

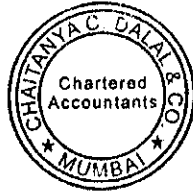
As per our report of even date

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

C. S. Dalal

Chaitanya C Dalal
Partner
Membership No. : 35809

Place: Mumbai
Date : April 16, 2012



For and behalf of the Board of Directors of
Pravara Renewable Energy Limited

Kalpesh Pathak
Kalpesh Pathak
Director

G. Sathis Chandran
G. Sathis Chandran
Director



PRAVARA RENEWABLE ENERGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year Ended March 31, 2012 Rupees	Year Ended March 31, 2011 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	(15,716)	(1,744,144)
Non cash adjustments for :		
(Profit)/loss in partnership firm	1,930	(740,341)
Preliminary/deferred revenue expenses written off	-	-
	<u>1,930</u>	<u>(740,341)</u>
Operating profit before working capital changes	(13,786)	(2,484,485)
Movements in working capital :		
Increase/(decrease) in trade payables and other liabilities	2,431,975	(13,761,570)
Decrease / (increase) in trade and other receivables	(50,816,167)	(48,384,192)
Cash (used in) / generated from the operations	(48,397,978)	(16,263,531)
Direct Taxes paid	-	-
Net Cash (used in) / generated from the operations	<u>(48,397,978)</u>	<u>(16,263,531)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES :		
Purchase of asset	-	(247,556)
Payments towards long term loans given	-	-
Payments made towards CWIP	(8,060,900)	(3,466,559)
Payments towards capital advances	(59,500,000)	-
	<u>(67,560,900)</u>	<u>(3,714,115)</u>
Net Cash (used in)/from Investment activities	<u>(67,560,900)</u>	<u>(3,714,115)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of share capital	-	-
Proceeds from share application	51,800,000	17,708,680
Repayment of share application	(53,508,680)	-
Proceeds for inter corporate borrowings	118,098,680	450,000
Repayment of advances	-	-
Interest Paid	116,390,000	18,158,680
Net Cash (used in)/from financing activities	<u>116,390,000</u>	<u>18,158,680</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>431,122</u>	<u>(1,818,966)</u>
Closing Balance of Cash and Cash Equivalents	595,376	164,254
Opening Balance of Cash and Cash Equivalents	164,254	1,983,220
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>431,122</u>	<u>(1,818,966)</u>
Components of Cash and Cash Equivalents		
Cash and Cheques on hand	-	-
With Banks :		
- On Current Account	595,376	164,254
- On Deposit Account	-	-
Total Components of Cash and Cash Equivalents	<u>595,376</u>	<u>164,254</u>
Less : Fixed Deposits with Banks above 90 days	-	-
	<u>595,376</u>	<u>164,254</u>

Note : Figures in brackets denote outflows.

Summary of significant accounting policies

2.1

As per our report of even date.


For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited

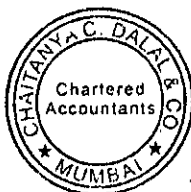


Chaitanya C Dalal
Partner
Membership No. : 35809


Kalpesh Pathak
Director


G. Sathis Chandran
Director

Place: Mumbai
Date : April 16, 2012



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1 Corporate profile

Pravara Renewable Energy Limited (PREL) is incorporated under the Companies Act, 1956, On August 4, 2008, as a subsidiary of Gammon Infrastructure Projects Limited. The Company intends to set up a 30 MW bagasse based co-generation power project adjacent to the sugar mill of Padmashri Dr Vithalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd at Pravaranagar, District Ahmednagar, Maharashtra on Build, Own Operate and Transfer ("BOOT") basis. The scope of work includes designing, development, procurement, installation, erection, commissioning and operation of the power plant for a period of 25 years after commercial operation.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006,(as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis of accounting and under the historical cost convention.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year, except for the change in the accounting policy explained below.

2.1 Summary of significant accounting policies

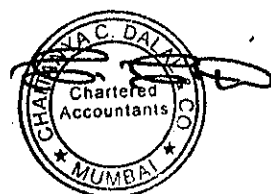
a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Provision for tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.



c. Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible fixed asset. Any subsequent expenses related to a tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on tangible fixed assets is provided on the Straight Line Method at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956 or the rates based on the estimated useful lives of the fixed

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the

d. Intangible assets

Intangible assets are stated at cost of construction less accumulated amortised amount and accumulated impairment losses, if any. Costs include direct costs of construction of the project road and costs incidental and related to the construction activity. Costs incidental to the construction activity, including financing costs on borrowings attributable to construction of the project road, have been capitalised to the project road till the date of completion of construction.

Self constructed intangible assets are amortised on a straight line basis, from the date they are put to use, over the balance period of the Contract from the date the said asset was put to use. The amortisation period and the amortisation method are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

e. Impairment

The carrying amounts of assets including goodwill, are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, the asset is depreciated or amortised on the revised carrying amount of the asset over its remaining useful life.

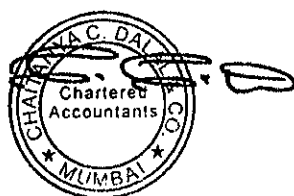
f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.



g. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

h. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

i. Segment reporting

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.

j. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

k. Provision, Contingent Assets and Contingent Liability

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

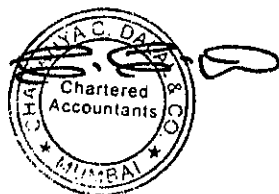
Contingent assets are neither recognised nor recorded in financial statements.

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

l. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

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PRAVARA RENEWABLE ENERGY LIMITED

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

3 Share capital

<u>Particulars</u>	<u>As at March 31, 2012 Rupees</u>	<u>As at March 31, 2011 Rupees</u>
Authorised shares :		
2,00,00,000 (March 31, 2011 : 2,00,00,000) equity shares of Rs. 10/- each	200,000,000	200,000,000
Total	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and fully paid-up shares :		
1,74,00,000 (March 31, 2011 : 70,00,000) equity shares of Rs. 10/- each	174,000,000	70,000,000
Total issued, subscribed and fully paid-up share capital	<u>174,000,000</u>	<u>70,000,000</u>

a) Shares held by holding/ultimate holding company and/or their subsidiaries/associates :

<u>Name of the legal shareholder</u>	<u>As At March 31, 2012</u>		<u>As At March 31, 2011</u>	
	<u>Numbers</u>	<u>Rupees</u>	<u>Numbers</u>	<u>Rupees</u>
Gammon Infrastructure Projects Limited	17,400,000	174,000,000	7,000,000	70,000,000
Total	<u>17,400,000</u>	<u>174,000,000</u>	<u>7,000,000</u>	<u>70,000,000</u>

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

<u>Particulars</u>	<u>As At March 31, 2012</u>		<u>As At March 31, 2011</u>	
	<u>Numbers</u>	<u>Rupees</u>	<u>Numbers</u>	<u>Rupees</u>
At the beginning of the period	7,000,000	70,000,000	7,000,000	70,000,000
Allotted to promoter companies	10,400,000	104,000,000	-	-
Outstanding at the end of the period	<u>17,400,000</u>	<u>174,000,000</u>	<u>7,000,000</u>	<u>70,000,000</u>

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

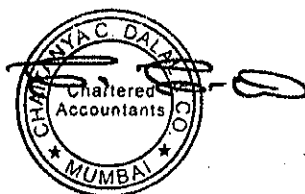
d) Shares held by holding company/ultimate holding company and/or their subsidiaries/ associates and details of shareholders holding more than 5% shares in the Company

<u>Shareholders holding more than 5% shares in the Company</u>	<u>As At March 31, 2012</u>		<u>As At March 31, 2011</u>	
	<u>Numbers</u>	<u>% of holding</u>	<u>Numbers</u>	<u>% of holding</u>
Equity shares of Rs 10 each fully paid up Gammon Infrastructure Projects Limited (GIPL)	17,400,000	100.00%	7,000,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

4 Reserves and surplus :

<u>Particulars</u>	<u>As at March 31, 2012 Rupees</u>	<u>As at March 31, 2011 Rupees</u>
Surplus / (deficit) in the statement of Profit and Loss		
Balance as per the last financials	(3,530,454)	(1,786,310)
Add : Profit / (Loss) for the year	(15,716)	(1,744,144)
Net deficit in the statement of profit and loss	<u>(3,546,170)</u>	<u>(3,530,454)</u>
Total Reserves and Surplus	<u>(3,546,170)</u>	<u>(3,530,454)</u>



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

5 Long term borrowings	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Particulars		
12% unsecured inter corporate loan from GIPL	118,548,680	450,000
	<u>118,548,680</u>	<u>450,000</u>

Repayment is due at the end of 36 months from the end of this financial year

6 Trade payables	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Particulars		
Trade payables	11,236	11,030

As per the information available with the Company, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

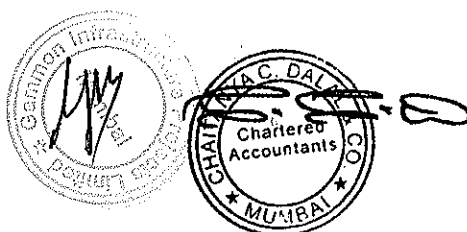
The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

7 Other Current Liabilities	As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Particulars		
Other liabilities		
Statutory dues payable	308,269	51,109
Other liabilities	79,868	432,440
Interest accrued payable	2,546,537	-
Share application money pending allotment*	-	105,708,680
Other dues to related parties	-	19,356
Total other current liabilities	<u>2,934,674</u>	<u>106,211,585</u>

The details of other dues to related parties are as under :

Gammon Infrastructure Project Limited	-	19,341
Patliputra Highway Limited	-	15
	<u>-</u>	<u>19,356</u>

8 Tangible assets	Computers (Rupees)	Furniture & Fixture/Office Equipments (Rupees)	Motor Vehicles (Rupees)	Total (Rupees)
Particulars				
Cost or valuation				
As at April 1, 2010	32,100	340,875	98,850	638,615
Additions	8,927	104,494	134,135	247,556
Sales/Disposals/Adjustments	-	-	-	-
As at March 31, 2011	<u>41,027</u>	<u>445,369</u>	<u>232,985</u>	<u>638,615</u>
Additions	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-
As at March 31, 2012	<u>41,027</u>	<u>445,369</u>	<u>232,985</u>	<u>638,615</u>
Depreciation				
As at April 1, 2010	499	6,325	13	3,491
Charge for the year	6,650	27,179	11,067	60,668
Sales/Disposals/Adjustments	-	-	-	-
As at March 31, 2011	<u>7,149</u>	<u>33,504</u>	<u>11,080</u>	<u>64,159</u>
Charge for the year	6,669	28,270	11,097	60,835
Sales/Disposals/Adjustments	-	-	-	-
As at March 31, 2012	<u>13,818</u>	<u>61,774</u>	<u>22,177</u>	<u>124,994</u>
Net Block				
As at March 31, 2011	<u>33,878</u>	<u>411,865</u>	<u>221,905</u>	<u>574,456</u>
As at March 31, 2012	<u>27,209</u>	<u>383,595</u>	<u>210,808</u>	<u>513,621</u>



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

9 Intangible asset under development		As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Particulars			
Opening Balance		21,442,108	17,869,985
Add : Project Expenses		2,464,147	65,379
Add : Establishment Expenses		998,080	1,318,992
Add : Personnel Costs		1,868,448	2,178,889
Add : Financial Costs		2,837,096	8,863
Total		29,609,879	21,442,108
10 Non Current Investments		As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Trade Investments			
Investment in partnership firm			
- Aparna Infraenergy		-	740,341
Total		-	740,341
11 Loans and Advances :			
Unsecured, considered good unless stated otherwise			
		Non Current	
		March 31, 2012 Rupees	March 31, 2011 Rupees
Other receivables			
Gammon Infrastructure Projects Limited	9,301		
Gammon India Limited	819,371		
Advance recoverable in cash or in kind			
Advances to staff			15,849
Dues from related party, Aparna Infraenergy India Pvt Ltd.	738,411		28,354
Advance for purchase of Bagasse :			
Padamshri Vithalrao Vikhe Sahakar Sakar Karkhana Ltd	140,000,000	90,000,000	
	141,567,083	90,000,000	15,849.00
Other loans and advances			
Mobilisation advance against capital expenditure to GIL			
Opening balance	59,500,000	59,500,000	-
Mobilisation advance paid	59,500,000	-	-
Less : mobilisation advance recovered	-	-	-
Total	119,000,000	59,500,000	-
Advance VAT registration	25,000	25,000	-
Total Loans and Advances	260,592,083	149,525,000	15,849
12 Cash and cash equivalents		As at March 31, 2012 Rupees	As at March 31, 2011 Rupees
Balances with banks :			
On current account		595,376	164,254
Total cash and cash equivalents		595,376	164,254
13 Other income		March 31, 2012 Rupees	March 31, 2011 Rupees
Share of profit/(loss) in partnership firm (Aparna Infraenergy)		(1,930)	740,326
Total other income		(1,930)	740,326



PRAVARA RENEWABLE ENERGY LIMITED

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

14 Other expenses	Year ended March 31, 2012 Rupees	Year ended March 31, 2011 Rupees
Registration expenses	-	42,420
Share issue expenses	-	9,10,000
Stamp duty paid	-	14,02,020
Gift expenses	-	10,000
Stamping & franking charges	-	1,05,000
Seminar expenses	-	2,500
Filing fees	2,550	1,500
Payment to Auditor : as statutory auditor for audit fees	11,236	11,030
Total other expenses	13,786	24,84,470

15 Earnings per Share (EPS)

The following reflects the profit and equity share data used in the basic and diluted EPS computation.

	March 31, 2012 Rupees	March 31, 2011 Rupees
Profit after tax (PAT)	(15,716)	(17,44,144)
Outstanding equity shares at year end	1,74,00,000	70,00,000
Weighted average number of equity shares in calculated EPS	1,50,98,361	70,00,000
Nominal value of equity shares (Rs. per share)	10	10
Basic EPS	(0.001)	(0.249)
Diluted EPS	(0.001)	(0.249)

16 Related party transactions

a) Names of the related parties and related party relationships

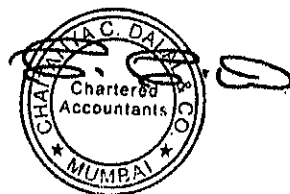
Related parties where control exists :

1. Gammon India Limited - Ultimate holding company
2. Gammon Infrastructure Projects Limited - Holding company
3. Apama Infraenergy - Partnership firm

Fellow subsidiary

1. Apama Infraenergy India Private Limited

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PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

b) Related party transactions

Transactions	Entities where control exists	Total
Share application money received Gammon Infrastructure Projects Ltd.	5,18,00,000 (1,77,08,680)	5,18,00,000 (1,77,08,680)
Refund of share application money received earlier Gammon Infrastructure Projects Ltd.	5,35,08,680 -	5,35,08,680 -
Issue of equity shares to Gammon Infrastructure Projects Ltd.	10,40,00,000 -	- -
Expenses incurred on behalf of the Company by: Gammon Infrastructure Projects Ltd.	27,91,659 (17,77,247)	27,91,659 (17,77,247)
Expenses incurred by the Company on behalf of: Gammon India Ltd.	8,19,371 -	- -
Inter corporate borrowings from: Gammon Infrastructure Projects Ltd.	11,80,98,680 (4,50,000)	11,80,98,680 (4,50,000)
Interest paid on inter corporate borrowings taken from: Gammon Infrastructure Projects Ltd.	25,46,537 (769)	25,46,537 (769)
Profit from share of partnership firm Aparna Infraenergy	7,40,326 -	7,40,326 -
Loss from share of partnership firm Aparna Infraenergy	1,930 -	1,930 -
Outstanding loan balance alongwith interest payable to Gammon Infrastructure Projects Ltd.	12,06,45,217 (4,50,769)	12,06,45,217 (4,50,769)
Outstanding balance receivable from Gammon India Limited	8,19,371 -	8,19,371 -
Gammon Infrastructure Projects Ltd.	9,301 -	9,301 -
Aparna Infraenergy India Pvt Ltd	7,38,411 -	7,38,411 -
Outstanding balance payable to: Gammon Infrastructure Projects Ltd.	- (19,341)	- (19,341)

(Previous year's figure in brackets)

17 Contingent Liabilities and Commitments

a Contingent liabilities:

There are no contingent liabilities as at March 31, 2012 and March 31, 2011.

b Capital Commitments:

Capital commitment towards EPC contracts : Rs. 107.10 Crore

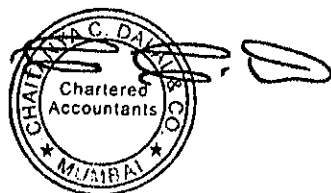
c Other Commitments:

Purchase of baggage : Rs. 6 Crore

18 Segment reporting

The Company's operation constitutes a single business segment namely "Infrastructure Development" as per Accounting Standard (AS) - 17 "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, (as amended).

- 19 In the opinion of the management, accounts receivables and Loans and advances have a realizable value in the ordinary course of business not less than the amount at which they are stated in the balance sheet and provision for all known liabilities and doubtful assets have been made.



PRAVARA RENEWABLE ENERGY LIMITED

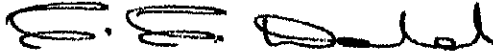
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

20 Previous year figures

Hitherto, upto the year ended March 31, 2011, the Company was preparing the financial statements as per the pre-revised Schedule VI to the Companies Act, 1956. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified the published previous year figures to conform to the norms of the Revised Schedule VI. The adoption of the revised Schedule VI does not impact recognition and measurement principles followed for preparation of the financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of Balance Sheet.

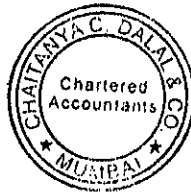
As per our report of even date

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

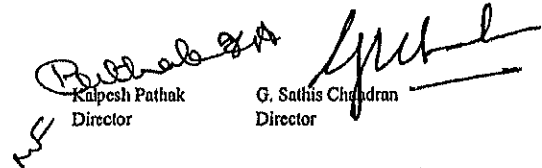


Chaitanya C Dalal
Partner
Membership No. : 35809

Place: Mumbai
Date : April 16, 2012



For and behalf of the Board of Directors of
Pravara Renewable Energy Limited

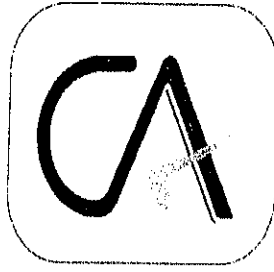


Karpesh Pathak
Director

G. Sathis Chandran
Director



CA. Chaitanya C. Dalal
F. C. A.
CA. Haresh B. Purohit
F.C.A., D.I.S.A. (ICAI)
CA. Rayomand F. Jilla
A.C.A., D.I.S.A. (ICAI)
CA. Vishal G. Mehta
A.C.A., L.L.B., D.I.S.A. (ICAI)



Chaitanya C. Dalal & Co.
CHARTERED ACCOUNTANTS

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e.mail: ccd2@rediffmail.com

Independent Auditor's Report

To the Members of
Pravara Renewable Energy Limited

We have audited the accompanying financial statements of **Pravara Renewable Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

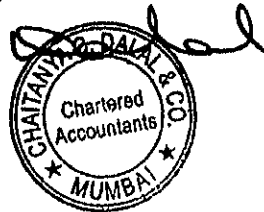


In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit/ loss 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.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Chaitanya C. Dalal & Co.
Chartered Accountants

Chaitanya C. Dalal
Partner
Membership No. 35809
(Reg No: 101632W)



Place: Mumbai

Date: 30 APR 2013

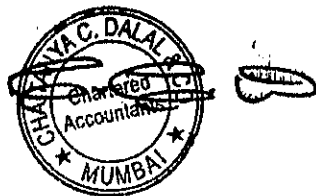
The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Pravara Renewable Energy Limited, on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

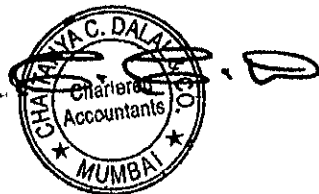
- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) According to the information and explanations given to us the company has a regular program of physical verification of fixed assets which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed.
- (c) During the year company's some part of fixed asset was stolen of Rs. 6,38,615/-
- (ii) The Company does not have any stock in trade hence no Quantitative details are required to be maintained. Therefore, the provisions of the clause 4(ii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- (iii) (a) According to information and explanation given to us the company has not granted any loans secured or unsecured to companies firm or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly provisions of clause (iii)(b) (iii)(c) and (iii)(d) of the order are not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.



- (iv) 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 purchases. Further on the basis of our examination and according to the information and explanations given to us we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control procedures.
- (v) In our opinion and according to the information and explanation given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable to the company.
- (vi) The company has not accepted any deposits from the public thus clause 4(vi) of the Companies (Auditor's report) Order 2003 is not applicable.
- (vii) In our opinion the company has an internal audit system commensurate with its size and nature of its business.
- (viii) As explained to us, the Central Government has prescribed the maintenance of Cost records under section 209 (1) (d) of the Companies Act 1956 for the company's products but since the commercial production has not started they are not maintained.
- (ix) According to the information and explanations given to us and according to books and records as produced and examined by us, there are no amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues as at the year end outstanding for the period more than six months from the date they become payable.
- (x) Since the company has not completed five years clause (x) of the companies (Auditors' Report) Order, 2003 is not applicable.

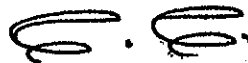


- (xi) Based on our audit procedure and on the information and explanations given by management we are of opinion that the company has not defaulted in repayment of its dues to any financial institution or bank.
- (xii) The company is not a chit fund or a Nidhi mutual benefit fund/ society therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us the Company is not a dealer or trader in securities thus Clause (xiv) of the order is not applicable.
- (xv) The company has not given any guarantees for loans taken by others from bank or Financial Institutions the terms and conditions whereof are prima facie prejudicial to the interest of the Company.
- (xvi) According to the information and explanation given to us the company has not obtained any term loans hence Clause (xvi) of the order is not applicable.
- (xvii) According to the information and explanation given to us and an overall examination of the balance sheet of the company we report that no funds raised on short term basis has been used for long term investments.
- (xviii) 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.

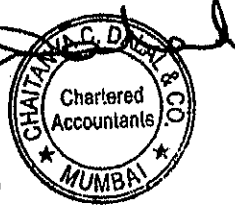


- (xix) The company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the company carried out in accordance with the Generally Accepted Auditing Practices in India and according to the information and explanation given to us, during the year, we have neither come across any instance of fraud on or by the company nor have we been informed of such case by the management.

For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm Registration No: 101632W



Chaitanya C. Dalal
Partner
Membership No. 35809



Place: Mumbai

Date: **30 APR 2013**



PRAVARA RENEWABLE ENERGY LIMITED

BALANCE SHEET AS AT MARCH 31, 2013
(All amounts in Indian rupees unless otherwise stated)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Equity and liabilities			
Shareholders' funds			
Share Capital	3	174,000,000	174,000,000
Reserves and Surplus	4	(3,677,324)	(3,546,170)
Money received against share warrants		-	-
		<u>170,322,676</u>	<u>170,453,830</u>
Non - Current liabilities			
Long - term borrowing	5	660,705,680	118,548,680
Long - term provisions	6	81,268	-
		<u>660,786,948</u>	<u>118,548,680</u>
Current Liabilities			
Trade payables	7	90,366,241	11,236
Other current liabilities	8	116,062,842	2,934,674
Short - term provisions		8,064	-
		<u>206,437,147</u>	<u>2,945,910</u>
TOTAL		<u><u>1,037,546,771</u></u>	<u><u>291,948,420</u></u>
Assets			
Non current assets			
Fixed assets			
Tangible assets	9	596,038	1,135,233
Intangible assets under development	10	724,180,586	29,609,879
Long-term loans and advances	11	284,649,140	260,592,083
		<u>1,009,425,764</u>	<u>291,337,195</u>
Current assets			
Inventories	12	9,105,231	-
Cash and cash equivalents	13	16,871,675	595,376
Short-term loans and advances	11	2,144,101	15,849
Others current assets		-	-
		<u>28,121,007</u>	<u>611,225</u>
TOTAL		<u><u>1,037,546,771</u></u>	<u><u>291,948,420</u></u>

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

Chaitanya C Dalal
Partner
Membership No. : 35809
Place: Mumbai
Date : April 30, 2013



For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited

Kalpesh Pathak
Kalpesh Pathak
Director

G. Sathis Chandran
G. Sathis Chandran
Director



PRAVARA RENEWABLE ENERGY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Income			
Revenue from operations		-	-
Other income	14	-	(1,930)
Total income (A)		<u>-</u>	<u>(1,930)</u>
Expenses			
Other expenses	15	131,154	13,786
Total Expenses (B)		<u>131,154</u>	<u>13,786</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A - B)		(131,154)	(15,716)
Depreciation and amortisation		-	-
Finance costs		-	-
Profit/(Loss) before tax		<u>(131,154)</u>	<u>(15,716)</u>
Tax expenses		-	-
Current Tax		-	-
Deferred Tax		-	-
Total tax expense		<u>-</u>	<u>-</u>
Profit/(Loss) for the year		<u><u>(131,154)</u></u>	<u><u>(15,716)</u></u>
Earnings per equity share ('EPS')			
Basic	16	(0.008)	(0.001)
Diluted		(0.008)	(0.001)

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

Chaitanya C Dalal
Partner
Membership No. : 35809
Place: Mumbai
Date : April 30, 2013



For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited

Kalpesh Pathak
Kf Kalpesh Pathak
Director

G. Sathis Chandran
G. Sathis Chandran
Director



PRAVARA RENEWABLE ENERGY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
A. Cash flow from operating activities:		
Net profit / (loss) before tax	(131,154)	(15,716)
Non cash adjustments for :		
Loss on theft of asset	113,622	
(Profit)/loss in partnership firm	-	1,930
Operating profit before working capital changes	(17,532)	(13,786)
Movements in working capital :		
Increase/(decrease) in trade payables and other liabilities	1,190,019	2,431,975
Decrease / (increase) in inventories	(9,105,231)	
Decrease / (increase) in loans & advances and other receivables	(3,345,630)	(50,816,167)
Cash (used in) / generated from the operations	(11,278,374)	(48,397,978)
Direct taxes paid	-	-
Net cash (used in) / generated from the operations	(11,278,374)	(48,397,978)
B. Cash flow from investment activities:		
Purchase of asset	(20,480)	-
Proceeds from sale of fixed assets / Insurance claim received	400,000	-
Payments made towards intangible asset under development	(474,675,052)	(8,060,900)
Payments towards capital advances	(474,295,532)	(59,500,000)
Net cash (used in)/from investment activities	(474,295,532)	(67,560,900)
C. Cash flow from financing activities:		
Proceeds from long term borrowings from banks	515,035,000	-
Proceeds from share application	-	51,800,000
Repayment of share application	-	(53,508,680)
Proceeds for inter corporate borrowings	81,122,000	118,098,680
Repayment of inter corporate borrowings	(54,000,000)	
Interest paid	(40,306,795)	-
Net cash (used in)/from financing activities	501,850,205	116,390,000
Net increase / (decrease) in cash and cash equivalents	16,276,299	431,122
Closing balance of cash and cash equivalents	16,871,675	595,376
Opening balance of cash and cash equivalents	595,376	164,254
Net increase / (decrease) in cash and cash equivalents	16,276,299	431,122
Components of cash and cash equivalents		
Cash and cheques on hand	-	-
With banks :		
- On current account	16,871,675	595,376
Total components of cash and cash equivalents	16,871,675	595,376

Note : Figures in brackets denote outflows.

Summary of significant accounting policies

2.1

As per our report of even date.

For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

Chaitanya C Dalal
Partner
Membership No. : 35809



For and on behalf of the Board of Directors of
Pravara Renewable Energy Limited

Kalpesh Pathak
Kalpesh Pathak
Director

G. Sathis Chandran
G. Sathis Chandran
Director



Place: Mumbai
Date : April 30, 2013

PRAVARA RENEWABLE ENERGY LIMITED

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

1 Corporate profile

Pravara Renewable Energy Limited (PREL) is incorporated under the Companies Act, 1956. On August 4, 2008, as a subsidiary of Gammon Infrastructure Projects Limited. The Company intends to set up a 30 MW bagasse based co-generation power project adjacent to the sugar mill of Padmashri Dr Vithalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd at Pravaranagar, District Ahmednagar, Maharashtra on Build, Own Operate and Transfer ("BOOT") basis. The scope of work includes designing, development, procurement, installation, erection, commissioning and operation of the power plant for a period of 25 years after commercial operation.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006, (as amended), and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis of accounting and under the historical cost convention.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Revised Schedule VI to the Companies Act 1956.

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year, except for the change in the accounting policy explained below.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Provision for tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

c. Borrowing costs

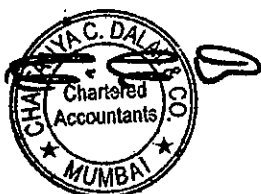
Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are capitalized. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

d. Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible fixed asset. Any subsequent expenses related to a tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation on tangible fixed assets is provided on the Straight Line Method at the rates and in the manner laid down in Schedule XIV of the Companies Act, 1956 or the rates based on the estimated useful lives of the fixed assets, whichever is higher. Depreciation on tangible fixed assets

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

e. Intangible assets

Intangible assets are stated at cost of construction less accumulated amortised amount and accumulated impairment losses, if any. Costs include direct costs of construction of the project road and costs incidental and related to the construction activity. Costs incidental to the construction activity, including financing costs on borrowings attributable to construction of the project road, have been capitalised to the project road till the date of completion of construction.

Self constructed intangible assets are amortised on a straight line basis, from the date they are put to use, over the balance period of the Contract from the date the said asset was put to use. The amortisation period and the amortisation method are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f. Impairment

The carrying amounts of assets including goodwill, are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, the asset is depreciated or amortised on the revised carrying amount of the asset over its remaining useful life.

g. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term

On disposal of an investment, the difference between the carrying amount and the net disposal proceeds is charged to the statement of profit and loss.

h. Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

i. Segment reporting

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.

j. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

k. Provision, Contingent Assets and Contingent Liability

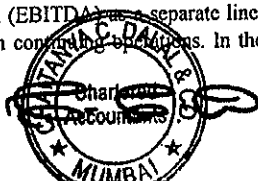
A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined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

Contingent assets are neither recognised nor recorded in financial statements.

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

l. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In the measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

3 Share capital Particulars	As at	As at
	March 31, 2013	March 31, 2012
Authorised shares :		
2,00,00,000 (March 31, 2012 : 2,00,00,000) equity shares of Rs. 10/- each	200,000,000	200,000,000
Total	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and fully paid-up shares :		
1,74,00,000 (March 31, 2012 : 1,74,00,000) equity shares of Rs. 10/- each	174,000,000	174,000,000
Total issued, subscribed and fully paid-up share capital	<u>174,000,000</u>	<u>174,000,000</u>

a) Shares held by holding/ultimate holding company and/or their subsidiaries/associates :

Name of the legal shareholder	As At March 31, 2013		As At March 31, 2012	
	Numbers	Rupees	Numbers	Rupees
Gammon Infrastructure Projects Limited	17,400,000	174,000,000	17,400,000	174,000,000
Total	<u>17,400,000</u>	<u>174,000,000</u>	<u>17,400,000</u>	<u>174,000,000</u>

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As At March 31, 2013		As At March 31, 2012	
	Numbers	Rupees	Numbers	Rupees
At the beginning of the period	17,400,000	174,000,000	7,000,000	70,000,000
Allotted to promoter companies	-	-	10,400,000	104,000,000
Outstanding at the end of the period	<u>17,400,000</u>	<u>174,000,000</u>	<u>17,400,000</u>	<u>174,000,000</u>

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

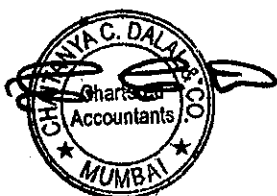
d) Shares held by holding company/ultimate holding company and/or their subsidiaries/ associates and details of shareholders holding more than 5% shares in the Company

Shareholders holding more than 5% shares in the Company	As At March 31, 2013		As At March 31, 2012	
	Numbers	% of holding	Numbers	% of holding
Equity shares of Rs 10 each fully paid up Gammon Infrastructure Projects Limited (GIPL)	17,400,000	100.00%	17,400,000	100.00%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of the shares.

4 Reserves and surplus :

Particulars	As at	As at
	March 31, 2013	March 31, 2012
Surplus / (deficit) in the statement of Profit and Loss		
Balance as per the last financials	(3,546,170)	(3,530,454)
Add : Profit / (Loss) for the year	(131,154)	(15,716)
Net deficit in the statement of profit and loss	<u>(3,677,324)</u>	<u>(3,546,170)</u>
Total Reserves and Surplus	<u>(3,677,324)</u>	<u>(3,546,170)</u>



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

Particulars	Non-current portion		Current maturities	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Term loan from banks (secured)	515,035,000	-		
Other loans (unsecured)				
Interest free (previous year 12%) inter corporate loan from GIPL. (Repayment is due on March 31, 2015)	145,670,680	118,548,680		
	<u>660,705,680</u>	<u>118,548,680</u>	-	-
The above amount includes				
Secured borrowings	515,035,000	118,548,680	-	-
Amount disclosed under the head 'Other current liabilities' (note)				
Total Long Term Borrowings	<u>515,035,000</u>	<u>118,548,680</u>	-	-

- I The above term loan from financial institution is secured by a first mortgage and charge on all the Company's movable properties, immovable properties, tangible assets, intangible assets, and all bank accounts (including escrow accounts)
- II Term loan from banks carries an interest rate in the range of 11 - 13 %. The facility shall be repaid in 42 unequal quarterly installments commencing from December 31, 2014.

III Schedule of repayment of term loan from banks:

	As at March 31, 2013	As at March 31, 2012
Installments payable within next one year	-	-
Installments payable between 2 to 5 years	479,500,000	
Installments payable beyond 5 years	35,535,000	
Total	<u>515,035,000</u>	-

6 Provisions :

Particulars	Long-term		Short-term	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
Provision for leave encashment	61,625		8,024	
Provision for gratuity	19,643		40	
Total provisions	<u>81,268</u>	-	<u>8,064</u>	-

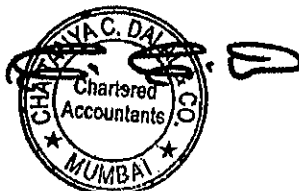
The movement of provisions during the year as required by Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" notified under the Companies (Accounting Standards) Rules, 2006, (as amended) is as under:

Gratuity

Gratuity is a defined benefit plan under which the employees are entitled to receive gratuity calculated based on the number of years of service and their last drawn salary at the time of retirement. The plan is not funded by the Company.

The following tables summarizes the components of net benefit expense recognised in the statement of profit and loss and in the balance sheet:

Particulars	As at March 31, 2013
Net employees benefit expense (recognised in personnel cost)	
Current service cost	8,039
Interest cost	1,480
Actuarial (gain)/loss recognised in the year	(356)
Short/(excess) provision accounted in earlier year	17,408
Total	<u>26,571</u>



PRAVARA RENEWABLE ENERGY LIMITED

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

(All amounts in Indian rupees unless otherwise stated)

The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2013
Defined benefit obligation as at beginning of the year	17,408
Current service cost	8,039
Interest cost	1,480
Liability transferred out	(6,888)
Actuarial (gain)/loss on obligations	(356)
Defined benefit obligation at year end	19,683

Particulars	As at March 31, 2013
Breakup of actuarial gain/loss:	
Actuarial (gain)/loss on obligation for the year	(356)
Less: (Gain)/loss on experience adjustment	-
Changes in actuarial assumptions	(356)

The provision of gratuity at year end is Rs. 19,683 (previous year - Rs. Nil)

As the Company's gratuity obligation is unfunded, the Company does not expect to contribute any amounts to its gratuity plan in the next year.

The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	Year ended March 31, 2013
Discount rate	8.25%
Salary escalation	5.00%
Attrition rate	2.00%

7 Trade payables

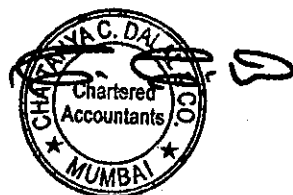
Particulars	As at March 31, 2013	As at March 31, 2012
- To related party - Gammon India Ltd	90,332,446	-
- To Micro Small and Medium Enterprises (MSME)	-	-
- To others	33,795	11,236
Total trade payables	90,366,241	11,236

As per the information available with the Company, there are no Micro, Small, and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding Micro, Small, and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

8 Other Current Liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Other liabilities	1,164,069	308,269
Statutory dues payable	112,105,618	55,578
Other liabilities	2,546,537	2,546,537
Interest accrued payable - GIPL	222,328	-
Salary Payable	24,290	24,290
LTA Payable	-	-
Total other current liabilities	116,062,842	2,934,674



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

9 Tangible assets

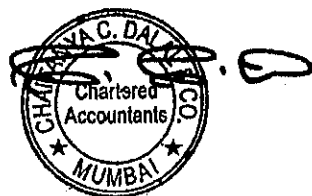
Particulars	Computers	Furniture & Fixtures	Office Equipments	Motor Vehicles	Total
Cost or valuation					
As at April 1, 2011	41,027	445,369	232,985	638,615	1,357,996
Additions	-	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-	-
As at March 31, 2012	41,027	445,369	232,985	638,615	1,357,996
Additions	-	20,480	-	-	20,480
Sales/Disposals/Adjustments	-	-	-	638,615	638,615
As at March 31, 2013	41,027	465,849	232,985	-	739,861
Depreciation					
As at April 1, 2011	7,149	33,504	11,080	64,159	115,892
Charge for the year	6,669	28,270	11,097	60,835	106,871
Sales/Disposals/Adjustments	-	-	-	-	-
As at March 31, 2012	13,818	61,774	22,177	124,994	222,763
Charge for the year	6,650	28,337	11,067	-	46,054
Sales/Disposals/Adjustments	-	-	-	124,994	124,994
As at March 31, 2013	20,468	90,111	33,244	-	143,823
Net Block					
As at March 31, 2012	27,209	383,595	210,808	513,621	1,135,233
As at March 31, 2013	20,559	375,738	199,741	-	596,038

10 Intangible asset under development

Particulars	As at March 31, 2013	As at March 31, 2012
Engineering, Procurement and Construction costs	430,789,917	-
Project expenses	109,814,517	2,652,247
Developer fees	125,596,000	13,236,000
Financial Costs	43,155,672	2,848,877
Depreciation	258,489	212,435
Personnel Costs	6,723,193	5,448,051
Administration expenses	7,842,798	5,212,269
Total	724,180,586	29,609,879

11 Loans and Advances :

Particulars	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, considered good unless stated otherwise				
Advance recoverable in cash or in kind				
Advances to staff	-	-	5,539	15,849
Mobilisation advance to Gammon India Limited	141,839,679	119,000,000	-	-
Dues from related party, Aparna Infraenergy India Pvt Ltd.	738,411	738,411	-	-
Advance for purchase of raw material	130,894,769	140,000,000	-	-
	273,472,859	259,738,411	5,539	15,849
Other receivables				
- from Gammon Infrastructure Projects Limited	388,798	9,301	-	-
- from Gammon India Limited	2,577,432	819,371	-	-
Advance VAT registration	25,000	25,000	-	-
Vat recoverable	7,500,431	-	-	-
Prepaid expenses	684,620	-	2,138,562	-
Total Loans and Advances	284,649,140	260,592,083	2,144,101	15,849



PRAVARA RENEWABLE ENERGY LIMITED

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

(All amounts in Indian rupees unless otherwise stated)

12 Inventories:

As taken, valued and certified by the management Particulars	As at March 31, 2013	As at March 31, 2012
Raw material - Bagasse	9,105,231	-
	<u>9,105,231</u>	<u>-</u>

13 Cash and cash equivalents

Particulars	As at March 31, 2013	As at March 31, 2012
Cash in hand	1,553	
Balances with banks on current account	16,870,122	595,376
Total cash and cash equivalents	<u>16,871,675</u>	<u>595,376</u>

14 Other income

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Share of profit/(loss) in partnership firm (Aparna Infraenergy)	-	(1,930)
Total other income	<u>-</u>	<u>(1,930)</u>

15 Other expenses

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Filing fees	6,296	2,550
Loss on theft	113,622	-
Payment to auditor as statutory auditor for audit fees	11,236	11,236
Total other expenses	<u>131,154</u>	<u>13,786</u>

16 Earnings per share (EPS)

The following reflects the profit and equity share data used in the basic and diluted EPS computation. Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit / (loss) after tax	(131,154)	(15,716)
Outstanding equity shares at year end	17,400,000	17,400,000
Weighted average number of equity shares in calculated EPS	17,400,000	15,098,361
Nominal value of equity shares (Rs. per share)	10	10
Basic EPS	(0.008)	(0.001)
Diluted EPS	(0.008)	(0.001)

17 Contingent Liabilities and Commitments

a Contingent liabilities:

During the year, letter of credit issued by the Company and which was not due at the year end amounts to Rs. 99,261,222/- (previous year - Nil).

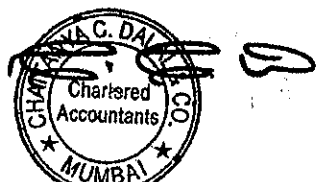
b Capital Commitments:

Capital commitment towards EPC contracts : Rs. 1,057,125,083 (previous year - Rs. 1,071,000,000)

c Other Commitments:

Purchase of bagasse : Rs. 65,000,000 (previous year - Rs. 60,000,000)

Project management fees : Rs. 22,472,000 (previous year - Nil)



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

18 Related party transactions

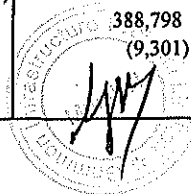
a) Names of the related parties and related party relationships

1. Gammon India Limited - Ultimate Holding Company
2. Gammon Infrastructure Projects Limited - Holding Company
3. Aparna Infraenergy India Private Limited - Fellow Subsidiary
4. Satluj Renewable Energy Private Limited - Fellow Subsidiary

b) Related party transactions

Transactions	Ultimate Holding Company	Holding Company	Fellow subsidiaries	Total
Share application money received Gammon Infrastructure Projects Limited		- (51,800,000)		- (51,800,000)
Refund of share application money received earlier Gammon Infrastructure Projects Limited		- (53,508,680)		- (53,508,680)
Issue of equity shares to Gammon Infrastructure Projects Limited		- (104,000,000)		- (104,000,000)
Management consultancy fees to Gammon Infrastructure Projects Limited		30,337,200 -		30,337,200 -
Fees for technical support services to Gammon Infrastructure Projects Limited		50,562,000 -		50,562,000 -
Developer fees to Gammon Infrastructure Projects Limited		101,124,000 -		101,124,000 -
Expenses incurred on behalf of the Company by: Gammon Infrastructure Projects Limited		23,796,693 (2,791,659)		23,796,693 (2,791,659)
Satluj Renewable Energy Private Limited			3,872 -	3,872 -
Gammon India Limited	- (819,371)			- (819,371)
Mobilisation advances given to: Gammon India Limited	34,000,000 (119,000,000)			34,000,000 (119,000,000)
Milestone advances given to: Gammon India Limited	36,730,400 -			36,730,400 -
EPC work done on behalf of the company by: Gammon India Limited	430,789,917 -			430,789,917 -
Inter corporate borrowings from: Gammon Infrastructure Projects Limited		81,122,000 (118,098,680)		81,122,000 (118,098,680)
Interest paid on inter corporate borrowings taken from: Gammon Infrastructure Projects Limited		- (2,546,537)		- (2,546,537)
Loss from share of partnership firm Aparna Infraenergy		- (1,930)		- (1,930)
Outstanding loan balance alongwith interest payable to Gammon Infrastructure Projects Limited		148,217,217 (121,095,217)		148,217,217 (121,095,217)
Outstanding balance receivable from Gammon India Limited	54,084,665 (119,819,371)			54,084,665 (119,819,371)
Gammon Infrastructure Projects Limited		388,798 (9,301)		388,798 (9,301)
Aparna Infraenergy India Pvt Limited			738,411 (738,411)	738,411 (738,411)

(Previous year's figure in brackets)



PRAVARA RENEWABLE ENERGY LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in Indian rupees unless otherwise stated)

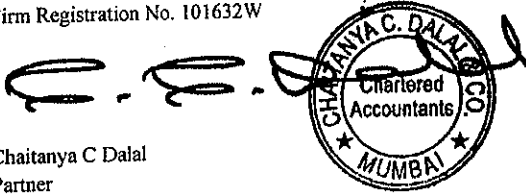
19 Segment reporting

The Company's operation constitutes a single business segment namely "Infrastructure Development" as per Accounting Standard (AS) - 17 "Segment Reporting" as notified under the Companies (Accounting Standards) Rules, 2006, (as amended).

20 Previous year figures have been regrouped / reclassified wherever necessary

As per our report of even date

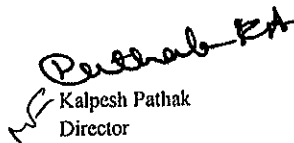
For Chaitanya C Dalal & Co.
Chartered Accountants
Firm Registration No. 101632W

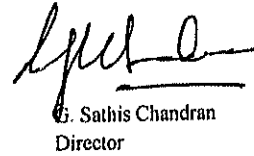


Chaitanya C Dalal
Partner
Membership No. : 35809

Place: Mumbai
Date : April 30, 2013

For and behalf of the Board of Directors of
Pravara Renewable Energy Limited


Kalpesh Pathak
Director


G. Sathis Chandran
Director

