



ಕರ್ನಾಟಕ ನವೀಕರಿಸಬಹುದಾದ
ಇಂಧನ ಅಭಿವೃದ್ಧಿ ನಿಯಮಿತ

*Karnataka Renewable Energy
Development Limited*

ವಾರ್ಷಿಕ ವರದಿ 2010-11

Annual Report 2010-11

Registered Office

No.39, "Shanthi Gruha", Bharath Scouts & Guides Building,
Opp.to Chief Post Master General Office,
Palace Road, Bangalore – 560 001.

**Karnataka Renewable Energy Development Limited
Bangalore**

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Board of Directors of Karnataka Renewable Energy Development Limited

<u>Name</u>	<u>Designation</u>
1. Shri C M Nimbannavar, Karnataka Renewable Energy Development Limited, No.39, "Shanthy Gruha", Bharath Scouts & Guides Building, Opp.to Chief Post Master General Office, Palace Road, Bangalore – 560 001.	Chairman,
2. Smt. Shamim Banu, IAS Additional Chief Secretary to Government, Energy Department, Vikas Soudha, Bangalore – 560 001	Director
3. Shri P Ravi Kumar, IAS Managing Director, Karnataka Power Transmission Corporation Ltd., Cauvery Bhavan, Bangalore.	Director
4. Shri Yogendra Tripathi, IAS Managing Director, Karnataka Power Corporation Ltd., Shakthi Bhavan, Bangalore.	Director
5. Shri P Manivannan, IAS Managing Director, BESCOM, K R Circle, Bangalore.	Director
6. Shri. Naveen Kumar, IA & AS, Managing Director, PCKL, Bangalore.	Director
7. Dr. Smt. Aditi Raja, IA & AS, Finance Director, Karnataka Power Transmission Corporation Ltd., Cauvery Bhavan, Bangalore.	Director
8. Shri B G Gurupada Swamy Secretary to Government, Water Resources Department, Vikas Soudha, Bangalore – 560 001.	Director

9. Shri Kanwarpal, IFS
Secretary to Government,
Ecology Environment and
Forest Department, M S Building,
Bangalore – 560 001. Director
10. Shri N S Prasanna Kumar, IAS,
Karnataka Renewable Energy
Development Limited,
No.39, "Shanthi Gruha",
Bharath Scouts & Guides Building,
Opp.to Chief Post Master General Office,
Palace Road, Bangalore – 560 001. Managing Director,
11. Shri H R Nagendra,
Deputy Secretary to Government,
Energy Department, Vikas Soudha,
Bangalore – 560 001. Director

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on Friday, the 30th day of September, 2011 at 04.00 PM at the Registered Office of the Company at #39, "Shanthi Gruha" Bharath Scouts & Guides, Palace Road, Bangalore – 560 001, to transact the following business:

ORDINARY BUSINESS

- 01 To receive, consider, and adopt the audited accounts of the Company for the year ended 31st March 2011 and the Reports of the Auditors and Directors together with the comments received from the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956.
- 02 To authorize the Board of Directors to fix the remuneration to the Auditors who are yet to be appointed by Comptroller and Auditor General of India for the financial year 2011-12.

By order of the Board

COMPANY SECRETARY IN PRACTICE

Dated the 26.09.2011

NOTE:

- 01 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. Proxy in order to be effective must be received at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.
- 02 The Corporation being a Government Corporation, the Auditors will be appointed by the Government as per the provision Section 619(2) of the Companies Act, 1956.

**Karnataka Renewable Energy Development Limited
No.39, "Shanthi Gruha", Bharath Scouts & Guides Building,
Opp.to Chief Post Master General Office,
Palace Road, Bangalore – 560 001.**

FORM OF PROXY

I/We _____ of _____ in the district of _____ being a member / members of the above mentioned Company hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me / us on my / our behalf at the 13th Annual General Meeting to be held on the _____ and at any adjournment there of.

Signed this _____ day of _____ 2010

Note : 1. This instrument of Proxy shall be deposited at the Regd. Office of the Company not less than 48 (Forty Eight) hours before the time of holding the aforesaid meeting.

2. A Proxy need not be a member of the Company.

Affix
Re.1
Revenue
Stamp

Signature

DIRECTORS' REPORT**TO ALL THE MEMBERS,**

The Board of Directors of M/s Karnataka Renewable Energy Development Limited has great pleasure in presenting their 15th Annual Report along with the Audited Financial Statements for the year ended 31st March 2011.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended 31st March, 2011 is as under:

(Rupees in Lakhs)

Particulars	2010-11	2009-10
Income from power generation, sale of Solar Devices & Infrastructure Development Facilitation Fees	2,450.45	1,135.44
Other Income	501.58	423.50
Total Income	2,952.04	1,558.94
Operating Expenses	552.58	524.49
Profit before finance charges & depreciation	2,399.46	1,034.45
Finance charges	33.74	43.85
Profit before depreciation	2,365.72	990.59
Depreciation	155.33	148.66
Prior Period adjustments	(25.70)	(4.76)
Profit before Tax	2,184.68	837.17
Taxes	365.20	114.74
Profit after Tax (Net Profit) for the financial year 2010-11	1819.48	722.43
Balance of surplus brought forward	2,159.76	1,437.33
Profit carried to Balance Sheet	3,979.23	2,159.76

WORKING RESULTS

During the year under review the Company has earned total Income amounted to Rs. **2,952.04**Lakhs as against Rs. **1,558.94** Lakhs in the previous year, showing a increase of 189.36% as against the previous year. The working of your Company resulted in a net profit of Rs. **1819.48**Lakhs during the financial year ended 31st March, 2011 as against Rs. **722.43**Lakhs in the corresponding previous year.

DIVIDEND

Your Directors have decided to not to recommend for declaration of dividend for the financial year 2010-11, since the amount will be utilized for investments in infrastructure/assets of the Company.

FINANCIAL POSITION

The table below summarizes the financial position of your Company as at the end of the financial year 2010-11.

(Rupees in Lakhs)

Particulars	2010.11	2009.10
Paid up equity capital	50.003	50.003
Reserves and Surplus	4,102.55	2,283.08
Borrowings	272.21	399.38
Current Liabilities and provisions	5,639.79	4,718.25
Total	10,064.55	7,450.71
Net Fixed Assets	696.75	834.06
Current Assets, Loans and Advances	9498.22	6,838.84
Total	10,197.92	7,672.90

RATIOS

Particulars	2010-11	2009-10
Debt - Equity	5.44	7.98
Reserves and Surplus to Total Assets	5.88	2.73
Current Assets to Current Liabilities	1.68	1.45
Net worth (Rs. in lakhs)	4,152.56	2,333.07
Net worth per Rupee of Equity	83.04	46.66

FUTURE PROSPECTS

To harness Green and clean Renewable Energy Sources in the state for environment benefits and energy security, to initiate energy efficiency measures in all sectors for sustainable growth Government of Karnataka is pleased to notify in the Official Gazette w.e.f.9.2.2010 a New Renewable Energy Policy 2009-14. This policy is directed towards a greater thrust on overall development and promotion of Renewable Energy Technologies and Applications. This will facilitate excellent opportunities for increased investment in this sector, technology up gradation, induction of new technology market development and export promotion. It is proposed to increase the generation of energy from wind, small-hydel units, solar photo voltaic, agro waste/biomass, municipal waste, industrial waste, sewage and other sources like tidal, wave, geothermal etc. These technologies are environment friendly and offer CDM benefits. The use of Municipal Solid Waste for power generation, besides generating power, will eliminate the problem of pollution and disposal of urban waste. Private investment will be attracted in all these sectors.

ENERGY CONSERVATION & POLLUTION CONTROL

Particulars as prescribed under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to your Company, as your company is acting as a facilitator in the Renewable Energy Sector.

FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year under report, the Company has not incurred foreign exchange and also not earned Foreign Exchange.

PARTICULARS OF EMPLOYEES

There were no employees whose particulars required to be furnished under Section 217(2A) of the Companies Act, 1956.

STATUTORY AUDITORS

M/s. Karunakara Shetty & Co., Chartered Accountants, Bangalore, were appointed to audit the accounts for the year 2010-11 by the Comptroller and Auditor General of India.

With regard to the observations of the Statutory Auditors in their Report, the relevant notes forming part of accounts are self-explanatory and your Directors have nothing more to add.

EMPLOYEES

Relationship with employees were cordial and your Directors wish to place on record their appreciation of the dedication, hard work and contribution by the employees of your Company at all levels during the year.

DIRECTORS

The following Changes in the composition of the Board of Directors have taken place as per the directions of the Government of Karnataka:

- Sri Nimbannanavar, has been appointed as Director and Chairman on the Board of the Company in place of Smt Shamim Banu, IAS with effect from the 20th day of November, 2010 and Smt. Shamim Banu, IAS continues to be the Director of the Company.
- Sri P. Manivannan, IAS, as Director of the Company in place of Sri Tushar Giri Nath, IAS, transferred with effect from the 25th day of November, 2010.
- Sri Yogendra Tripathi, IAS has been appointed as Director of the Company in place of Dr. S. M. Jaamdar, IAS, transferred with effect from the 23rd October, 2010
- Sri. N.S. Prasanna Kumar has been appointed as Managing Director of the Corporation with effect from 21.04.2011.
- Sri. H.R. Nagendra has been appointed as Director of the Corporation in place of Smt. Parvathi Keshvachar, retired with effect from the 02nd day of May, 2011.
- Sri. P. Ravikumar, IAS has been appointed as Director of the Corporation in place of Smt. Latha Krishna Rao, IAS transferred and Sri B. G. Gurupadaswami as Director of the Corporation in place of Sri. M. R. Kamble, IAS transferred with effect from the 25th day of June, 2011.

Except this there are no changes in the Directors of the Corporation during the year under report.

STATUTORY COMPLIANCE

Your Company has complied with the various statutory requirements prescribed under the Companies Act, 1956, Labour Laws and other Corporate Laws where applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- a) that in the preparation of the annual accounts, the applicable accounting standards, have been followed along with proper explanation relating to material departures;
- b) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and a fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis.

COMPLIANCE REPORT UNDER SECTION 383A OF THE COMPANIES ACT, 1956

Pursuant to provisions to Section 383A of the Companies Act, 1956, the Company has obtained compliance certificate for the financial year 2010-11 as prescribed in the Companies (Compliance Certificate) Rules, 2001 from M/s Shashidhara G S & Co., Company Secretaries, Bangalore and the same is appended to this Report.

ACKNOWLEDGEMENT

Your Board of Directors wishes to place on record their appreciation of the valuable services, support, co-operation and guidance received from the Bankers, Auditors, Company Secretaries, IREDA, MNES, Developers and from various Government authorities and look forward for receiving similar support in the future.

FOR AND ON BEHALF OF THE BOARD

CHAIRMAN

Date : 30.9.2011
Place : Bangalore

Addendum to Director's Report

Replies offered on the observations/comments of the Statutory Auditors on the accounts of the Company for the year 2010-11 are as follows:

a	Note No.-VII of schedule 17(B) regarding lease rent payment to Government of Karnataka in respect of land leased to renewable energy projects. Effect if any, on revenue is not ascertainable.	Karnataka Renewable Energy Development Limited is a nodal agency of the Government of Karnataka to facilitate development and promotion of renewable energy sources in Karnataka. The Government of Karnataka leases the land to private entrepreneurs through the Company to facilitate the setting up of renewable energy projects. Some of the entrepreneurs pay the lease rent in lump sum to the Government of Karnataka and others pay on an annual basis to Government of Karnataka at rates fixed by Government. Though the lease agreement with the Government states that rent has to be collected by the Company from the lessees and pay to the Government, in actual practice the payment of lease rent is not routed through the Company. Hence the amount receivable and in turn payable are not accounted in the books of the Company. The Company is not financially involved in lease and sublease activity. Hence, effect of revenue is not ascertainable at KREDL.
c	Note No-05 of schedule-17(C) regarding the balances due from/to Creditors and other third parties are subject to confirmation, consequent to which we have relied on the balances appearing in the books of the Company. Effect if any, on revenue is not ascertainable.	For the balances due from/to creditors and other third parties the Company has not received confirmation from these parties during FY 2010-11. As these Creditors are also involved and party for SPV Subsidy Programme 2005-06 and 2006-07 which is under investigation. After investigation the balance due from/to creditors will be ascertained and appropriate entries will be passed.

Place : Bangalore
Date : 30.9.2011

Chairman

CIN: U75112KA1996PLC020020
NOMINAL CAPITAL: Rs.100.00 Lakhs

Shashidhara G. S. & Co.,
Company Secretaries

The Members,
M/s. Karnataka Renewable Energy Development Ltd,
No.19, Major General Lognandan INA Cross,
Queens Road,
BANGALORE - 560 052.

No.725, 1st Floor, 10th Main, 4th Block,
Jayanagar, Bangalore – 560 011.
E.mail : gss_comsecy@rediffmail.com
Tel : 22455141, 26534024,
Mobile : 98804 – 61710

COMPLIANCE CERTIFICATE

I have examined the registers, records, books and papers of **M/s. Karnataka Renewable Energy Development Limited**, (the Company) required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31st March, 2011**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Karnataka at Bangalore by way of paying additional fees for those documents which were not filed within the prescribed time as prescribed under the Act and the rules made thereunder. However, the Company has filed all the pending forms and returns with the Registrar of Companies, Karnataka, Bangalore as on the date of this certificate.
3. The Company being a Government Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met six times on 05th April, 2010, 27th May, 2010, 06th August, 2010, 18th December, 2010, 27th January, 2011 & 24th February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meetings for the financial year ended on 31st March, 2010 was held on 28.09.2010 after giving due notices to the Members of the Company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company being a Government Company, Section 295 of the Act is not applicable.
9. The Company being a Government Company, Section 297 of the Act is not applicable.

Shashidhara G. S. & Co.,
Company Secretaries

10. The Company was not required to make any entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i) not allotted / transferred / transmitted any Securities during the financial year.
 - (ii) not deposited any amount in separate Bank Account as no dividend was declared during the financial year.
 - (iii) *not posted warrants to any Member of the Company as no dividend was declared during the financial year.*
 - (iv) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors of a Government Company have been duly made.
15. The Company being a Government Company, provisions of section 269 of the Act, with regard to appointment of Managing Director/Whole-time Director/Manager are not applicable.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained necessary approvals of the Central Government / Registrar of Companies as prescribed under the various provisions of the Act as detailed below:
 - (i) Extension of time for holding Annual General Meeting under section 166 read with section 210 of the Act.
18. The Directors were not required to disclose their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

Shashidhara G. S. & Co.,
Company Secretaries

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31.03.2011.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

PLACE: BANGALORE

DATED:

 **SHASHIDHARA G. S.**
COMPANY SECRETARY

ANNEXURE - A

REGISTERS AS MAINTAINED BY THE COMPANY

1. Register of Members u/s 150 of the Act
2. Register of Directors, etc u/s 303
3. Register of Directors shareholding u/s 307
4. Register of Charges u/s 143
5. Share Transfer Register u/s 108
6. Minutes of all meetings of Board of Directors u/s 193
7. Minutes of General Meetings u/s 193
8. Board Meeting Attendance Register
9. General Meeting Attendance Register

ANNEXURE-B**FORMS AND RETURNS AS FILED BY THE COMPANY WITH REGISTRAR OF COMPANIES, DURING THE PERIOD 01ST APRIL, 2010 TO 31ST MARCH, 2011**

<u>Sl. No.</u>	<u>Form No. / Return</u>	<u>Filed under which</u>	<u>For</u>	<u>Date of Filing</u>	<u>Whether filed within prescribed time</u>	<u>If delay in filing whether requisite additional fee paid</u>
01	02	03	04	05	06	07
01	Form-32	u/s 303(2)	Appointment / resignation of Directors on 28.04.2010	08.06.10	No	Yes
02	Form-32	u/s 303(2)	Appointment / resignation of Directors on 13.07.2010	19.08.10	No	Yes
03	Form-32	u/s 303(2)	Appointment / resignation of Directors on 11.08.2010	23.02.11	No	Yes
04	Form-32	u/s 303(2)	Appointment / resignation of Directors on 23.10.2010	23.02.11	No	Yes
05	Form-32	u/s 303(2)	Appointment / resignation of Directors on 25.11.2010	23.02.11	No	Yes
06	Form-32	u/s 303(2)	Appointment / resignation of Directors on 25.11.2010	28.02.11	No	Yes
07	Form-32	u/s 303(2)	Appointment /resignation of Directors on 20.11.2010	04.03.11	No	Yes
08	Form CLSS	u/s 637B (b)	For obtaining Immunity Certificate under the Company Law Settlement Scheme – 2010	23.02.11	N.A.	N.A.
09	Form-20B	u/s 159	For the Annual General Meeting held on 19.12.2009 (Annual Return)	14.04.10	No	Yes

Shashidhara G. S. & Co.,
Company Secretaries

10	Form 66	u/s 383 A (1)	For the financial year ended 31.03.2010 (Compliance Certificate)	14.10.10	Yes	No
11	Form 23AC & 23ACA	u/s 220	For the financial year ended 31.03.2010 (Balance Sheet and Profit & Loss a/c)	14.10.10	Yes	No
12	Form-20B	u/s 159	For the Annual General Meeting held on 28.09.2010 (Annual Return)	14.10.10	Yes	No

PLACE: BANGALORE

DATED:

 **SHASHIDHARA G. S.**
COMPANY SECRETARY

COMMENTS FROM C & AG

BY REGISTERED POST
CONFIDENTIAL

No. Pr. AG (C&CA)/CAW/CA-II/J-241(33)2011-12/63 dated: 23.09.2011

To,
The Managing Director,
Karnataka Renewable Energy Development Limited,
#39, "Shanthi Gruha", Bharath Scouts & Guides Building,
Opp.to Chief Post Master General Office,
Palace Road, Bangalore – 560 001.

Sir,

Sub: Comments of Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of Karnataka Energy Development Limited for the year ended 31 March 2011.

I forwarded herewith **Non-Review Certificate** under Section 619 (4) of the Companies Act, 1956 on the accounts of **Karnataka Renewable Energy Development Limited Bangalore** for the year ended 31 March 2011.

2. A copy of the proceedings of the Annual General Meeting adopting the certified accounts, Auditor Report thereon and the Comments of the Comptroller and Auditor General of India may be forwarded to this office immediately after the conclusion of the Annual General Meeting. Six copies of the printed Annual Reports may also be sent to this office.

3. Receipt of the letter and the enclosures may please be acknowledged.

Yours faithfully,

Sd/-
(D. J. BHADRA)
PRINCIPAL ACCOUNTANT GENERAL
(CIVIL & COMMERCIAL AUDIT)
KARNATAKA, BANGALORE

**COMMENTS OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956 ON THE
ACCOUNTS OF KARNATAKA RENEWABLE ENERGY DEVELOPMENT
LIMITED FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of **Karnataka Renewable Energy Development Limited, Bangalore** for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under Companies Act 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **9 September 2011**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors' on the accounts of "**Karnataka Renewable Energy Development Limited, Bangalore**" for the year ended **31 March 2011** and as such have no comments to make under section 619(4) of the Companies Act 1956.

**For and on behalf of the
Comptroller & Auditor General of India**

**Sd/-
(D. J. BHADRA)
PRINCIPAL ACCOUNTANT GENERAL
(CIVIL & COMMERCIAL AUDIT)
KARNATAKA, BANGALORE**

**BANGALORE
DATED : 23.09.2011**

Auditor's Report to the members of M/S KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

We have audited the attached Balance Sheet of M/S KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED, as at 31-03-2011 and the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Board of Director's of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

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

2. We draw the attention of members to the following:-

(a) Note No-VII of Schedule 17(B) regarding lease rent payment to Government of Karnataka in respect of land leased to renewable energy projects. Effect if any, on revenue is not ascertainable.

(b) Note no - 05 of Schedule - 17(C) regarding the balances due from/to, Creditors and other third parties are subject to confirmation, consequent to which we have relied on the balances appearing in the books of the Company. Effect if any, on revenue is not ascertainable.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'the order') issued by the Central Government of India in terms of sub section 4A of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4. Subject to above we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of such books.

(c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act 1956.

(e) As per information furnished to us, the provisions of clause (g) of sub section (1) of section 274 of the Companies Act 1956 are not applicable to a Government Company.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and *subject to para (2) above*, give a true and fair view:

(i) insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31-03-2011,

(ii) insofar as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date, and

(iii) insofar as it relates to the Cash Flow Statement, of the Cash flow for the year ended on that date.

For Karunakara Shetty & Co
Chartered Accountants
(FRN -008474s)

Karunakara Shetty
Partner
Membership No-207776

Bangalore
Date : 09-09-2011

Annexure referred to in paragraph 3 of our report of even date

Re: Karnataka Renewable Energy Development Limited ('the Company')

1. (a) The Company has maintained memorandum of records showing details of fixed assets. However, comprehensive fixed asset register is not maintained.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the period and in our opinion and according to the information and explanations given to us, the ability of the Company to continue as a going concern is not affected.
2. As informed to us, the Company does not have any inventory and hence clause (a) (b) and (c) are not applicable.
3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956. Therefore the provisions of clauses (iii)(a) to iii(g) of the Companies (Auditors' Report) Order 2003 (as amended) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedure.
5. According to the information and explanations provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore the provisions of clauses (v)(a) and (b) of the Companies (Auditors' Report) Order 2003 (as amended) are not applicable.
6. As the Company has not accepted or renewed any deposits from the public, the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
7. On the basis of the internal audit reports broadly reviewed by us, we are of the opinion that, the coverage of internal audit function carried out by the firm of Chartered Accountants appointed by the management is commensurate with the size of the Company and nature of its business.

8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products/services of the Company.
9. (a) As informed to us, there are no dues by the Company towards Employees State Insurance, Wealth Tax, and Customs duty. And the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Tax Deducted At Source and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us , no undisputed dues in respect of Income Tax, Fringe Benefit tax, Cess and statutory dues which were outstanding, at the period end for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, customs duty, excise duty and Cess which have not been deposited on account of any dispute except the following :-

Statement of disputed dues in respect of Income Tax :-

Name of the Statute	Nature of the Duties	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	23320305.00	Financial year 2007-08	Commissioner of Appeals (Income Tax)

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current year or in the immediately proceeding financial year.
11. The Company has not defaulted in repayment of dues to financial institution/bank. The Company does not have any dues towards Debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

16. According to the information and explanations given to us, the Company has not availed any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not raised any funds on short term or long term basis. Therefore, the provisions of clause 4(xvii) of the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the period.
20. The Company has not raised any money through a public issue during the period.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Karunakara Shetty & Co
Chartered Accountants
(FRN-008474s)

Karunakara Shetty
Partner
M.NO-207776

Bangalore
Date: 09-09-2011

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

BALANCE SHEET AS AT 31-03-2011

PARTICULARS	SCH.REF	AS AT 31-03-2011		AS AT 31-03-2010	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS					
A. Shareholder's Funds					
Share Capital	1		5,000,300		5,000,300
Reserves & Surplus	2		410,255,753		228,307,683
Total A			415,256,053		233,307,983
B. Loan Funds					
Secured Loans	3		27,221,853		39,938,281
Total B			27,221,853		39,938,281
C. Deferred Tax Liability					
Total C			13,039,768		22,219,686
			13,039,768		22,219,686
GRAND TOTAL (A+B+C)			455,517,674		295,465,950
II APPLICATION OF FUNDS					
A. FIXED ASSETS					
Gross Block	4	310,639,469		308,838,003	
Less: Government Grant Utilised		115,574,318		115,574,318	
Less: Depreciation		121,128,030		107,012,565	
Less: Lease hold land cost amortised		8,918,815		7,501,255	
Add : Captial Work in Progress	Sub Sch I	4,657,064		4,657,064	
Net Block Total A			69,675,370		83,406,929
B. CURRENT ASSETS					
LOANS & ADVANCES					
Sundry Debtors	5	3,770,172		2,814,771	
Cash and Bank Balances	6	859,753,061		636,773,214	
Other Current Assets	7	38,899,230		14,100,792	
Loans, Advances and Deposits	8	47,399,756		30,195,757	
Total B			949,822,219		683,884,534
C. Less : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	9	511,012,272		453,742,869	
Provisions	10	52,967,643		18,082,644	
Total C			563,979,915		471,825,513
NET CURRENT ASSETS D = (B-C)			385,842,304		212,059,021
GRAND TOTAL (A+D)			455,517,674		295,465,950

KREDL 2010-11

Schedules referred to above Notes to accounts (Sch 17) forms integral part of the Balance Sheet

For KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED

As per our report dated 9/9/11
For KARUNAKARA SHETTY & CO.,
CHARTERED ACCOUNTANTS
(FRN- 008474S)

(N S PRASANNA KUMAR)
MANAGING DIRECTOR

(C M NIMBANAVAR)
CHAIRMAN

(KARUNAKARA SHETTY)
PARTNER
M No. 207776

PLACE : BANGALORE

DATE : 8/9/2011

**KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011**

KREDL 2010-11

PARTICULARS	SCH.REF	31-03-2011 Rs.	31-03-2010 Rs.
INCOME			
Infrastructure Development Facilitation Fees	11	209,665,623	73,213,995
Income from Power Generation		35,380,057	40,329,541
Other Income	12	50,158,819	42,349,673
		295,204,499	155,893,209
EXPENDITURE			
Employees Remuneration and Benefits	13	22,873,655	17,741,823
Administrative Expenses	14	10,384,511	10,434,223
Promotional Activities of Renewable Energy Exps	15	7,528,891	1,501,517
Interest Paid - Mavinhunda Wind Demo Project		2,255,678	2,794,237
Interest Paid - Sogi Wind Demo Project		1,119,027	1,591,163
Man Power Service Expenses		1,852,103	1,353,524
Depreciation		14,115,785	14,865,852
Amortisation of Leasehold Land		1,417,560	1,417,560
Calamity Relief Fund of Karnataka		-	20,000,000
CM Relief Fund of Karnataka		10,000,000	-
Exceptional Expenditure- Akshya Shakthi Nidhi		2,500,000	-
Provision for Doubtful advances		119,015	-
TOTAL		74,166,225	71,699,899
Profit for the year		221,038,274	84,193,310
Prior Year Income / Expenses (Net)	16	(2,570,122)	(476,204)
Profit for the year before Tax		218,468,152	83,717,106
Less : Provision for Current Taxation		45,700,000	12,500,000
Less : Provision for Deferred Tax Liability (Withdrawn)		(9,179,918)	(1,025,501)
Net Profit / (Loss) after tax		181,948,070	72,242,607
Add : Balance brought forward from Previous Year		215,975,601	143,732,994
Profit/(Loss) carried forward to Balance Sheet		397,923,671	215,975,601
Earnings per share			
Basic		363.87	144.48
Diluted		363.87	144.48
Paid up value per share		10	10
Number of Equity Shares 500030			

Schedules referred to above & Notes to accounts (Sch 17) form integral part of the Profit & Loss Account

For KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED

As per our report dated 9/9/2011
For KARUNAKARA SHETTY & CO.,
CHARTERED ACCOUNTANTS
(FRN -008474S)

(N S PRASANNA KUMAR)
MANAGING DIRECTOR

(C M NIMBANAVAR)
CHAIRMAN

(KARUNAKARA SHETTY)
PARTNER

M No-207776

PLACE : BANGALORE
DATE : 8/9/2011

SCHEDULES TO THE PROVISIONAL ACCOUNTS

(Annexed to and forming part of the Balance sheet as at 31-3-2011 and the Profit and Loss account for the Accounting year ended on that date)

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
SCHEDULE 1	Rs.	Rs.
SHARE CAPITAL		
AUTHORISED CAPITAL (1,000,000 EQUITY SHARES OF Rs. 10/- EACH)	10,000,000	10,000,000
(a) ISSUED, SUBSCRIBED AND PAID UP CAPITAL (500,030 EQUITY SHARES OF Rs. 10/- EACH FULLY PAID UP)	5,000,300	5,000,300
Total	5,000,300	5,000,300
SCHEDULE 2		
RESERVES AND SURPLUS		
Opening Balance	12,332,082	12,332,082
Total	12,332,082	12,332,082
Profit and Loss account		
Net surplus in Profit and Loss Account	397,923,671	288,218,208
Balance transferred to Balance Sheet	410,255,753	300,550,290
SCHEDULE 3		
<u>SECURED LOANS</u>		
Vijaya Bank Loan for Wind Demo Project - Mavinhunda (Secured by hypothecation of movable assets like machinery, plant, accessories and tools and in particular trubine sets electrical equipments, 40 M mast with instruments etc.)	18,864,707	26,009,707
Vijaya Bank Loan for Wind Demo Project - Sogi (Secured by hypothecation of movable assets like machinery, plant, accessories and tools and in particular trubine sets electrical equipments, 40 M mast with instruments etc.)	8,357,146	13,928,574
	27,221,853	39,938,281

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
SCHEDULE 5		
Sundry Debtors (Income from Power Generation Receivable from BESCO)		
a. Debtors Outstanding for period exceeding 6 months	-	-
b. Other Debtors	3,770,172	2,814,771
	3,770,172	2,814,771
SCHEDULE 6		
Cash and Bank Balances		
Cash on hand	11,715	12,811
Postal Loading Charges	5,277	4,289
With Scheduled Bank :		
In Fixed Deposits (Sub Schedule II)	815,924,060	586,379,239
In Current Accounts (Sub Schedule III)	43,812,009	50,376,875
	859,753,061	636,773,214
SCHEDULE 7		
OTHER CURRENT ASSETS		
Interest accrued on Fixed Deposits	38,899,230	14,100,792
	38,899,230	14,100,792
SCHEDULE 8		
LOANS, ADVANCES AND DEPOSITS		
A. ADVANCES		
(Advances recoverable in cash or kind or for value to be received)		
Staff Advances (Sub Schedule IV)	312,921	505,536
Other Advances (Sub Schedule V)	359,794	272,308
Advance Payments - Projects (Sub Schedule VI)	1,386,504	6,747,498
Pre-paid Expenses - Insurance	89,318	35,387
Advance Income Tax - 2010-11	26,000,000	12,500,000
Advance Paid to MD,KRIDL-New KREDL Building ID	4,000,000	-
B. RECEIVABLES		
MNRE Support Receivable for Remote Village Electrifications	1,285,978	1,285,978
MNRE CFA - 5 Kkw Wind Solar and Diesel Systems SB Rural	152,687	152,687
MNRE CFA - RGAUD -2007	582,275	595,889
MNRE CFA - RGAUD -2009	150,000	150,000
MNRE - National SPV Prog. Receivables (Sub Schedule VII)	2,220,150	2,220,150
MNRE CFA District Level Energy Parks Receivables (Sub Schedule VIII)	1,132,294	1,132,294
MNRE CFA- Seminar on RE Application in Hotels Bagalkot	75,000	-
MNRE CFA- Seminar on RE Application in Hotels Bangalore	100,000	100,000
Tax Deducted at Source	3,688,168	1,967,425
M/s.Adichunchanagiri Institute of Tech-Chikkamangalore	115,605	115,605
BEE Funds Receivable (Sub Schedule IX)	734,062	-
C. DEPOSITS RECEIVABLES		
Rent Deposit-Head Office at Queens Road	-	2,350,000
Rent Deposit-Head Office at BSGK	5,000,000	-
Rent Deposit-Regional Offices	-	50,000
Earnest Money Deposit	15,000	15,000
	47,399,756	30,195,757

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
SCHEDULE 9		
CURRENT LIABILITIES, PROVISIONS		
I CURRENT LIABILITIES		
SUNDRY CREDITORS		
Sundry Creditors for Expenses (Sub Schedule X)	1,146,283	3,071,812
Sundry Creditors-Others (Sub Schedule XI)	4,841,479	4,843,979
Sundry Creditors-Energy Parks (Sub Schedule XII)	1,613,296	1,613,296
MNRE FUNDS PAYABLE TO BENEFICIARIES		
MNRE CFA Received Pending Implementation (Sub Schedule XIII)	19,307,379	31,507,252
MNRE Unutilized funds Refundable (Sub Schedule XIV)	777,500	577,500
ADVANCE FROM RE DEVELOPERS ON RE PROJECTS (Sub Schedule XV)	432,463,655	382,940,428
BEE FUNDS RECEIVED FOR EC & EE ACTIVITIES		
Bureau of Energy Efficiency -2007-08	-	1,022,603
Bureau of Energy Efficiency -2008-09	-	681,128
Bureau of Energy Efficiency - Energy Audit 2008-09	1,435,433	1,435,433
BEE - Energy Efficient Lights at Richmond Rd, J P Park, H Nagar Park	5,478,039	7,145,072
BEE-LED Village Campaign	1,484,924	1,484,924
Bureau of Energy Efficiency -2009-10	665,499	665,499
BEE-2009-10 A & Publicity	-	(203,711)
BEE-2010-11 A & Publicity	355,499	
BEE-Eassy Compitation 2009-10	-	(32,862)
Bureau of Energy Efficiency -SECF	20,000,000	
Akshya Shakthi Nidhi	2,500,000	-
GOK-SFA for RVE 2 Village & 30 Hamlets MNRE Programme	184,750	184,750
DEPOSITS REFUNDABLES		
Earnest Money Deposit	1,085,020	920,540
Security Deposit	1,472,413	1,564,788
PRE-RECEIPT OF INCOMES		
Sogi Approach Road Utilisation received in advance	1,400,000	1,500,000
CONTRIBUTIONS		
Contributions for Projects (Sub Schedule XVI)	4,404,284	4,542,634
C-WET Wind Monitoring Stations - 08-09	3,000,000	3,000,000
C-WET Wind Monitoring Stations - 10-11	2,000,000	-
OTHER AMOUNT PAYABLES		
Co-Generation Subsidy from Govt. pending disbursement	5,200,000	5,200,000
Provision for Doubtful advances	196,819	77,804
	511,012,272	453,742,869
SCHEDULE 10		
II PROVISIONS		
Provision for taxation	45,700,000	12,500,000
Sub Total A	45,700,000	12,500,000
Provision for Retirement Benefits		
Leave Salary	3,538,682	2,779,951
Bonus	679,035	644,000
Pension	472,543	256,606
Gratuity	2,577,383	1,902,087
Sub Total B	7,267,643	5,582,644
Total A+B	52,967,643	18,082,644

KREDL 2010-11

PARTICULARS	GROSS BLOCK					GOVT. GRANTS UTILISED			Depreciation				Cost of Amortisation of Leasehold Land		NET BLOCK			Lease hold Land
	AS ON	ADDITIONS	DELETIONS	TOTAL	UP TO	FOR THE	TOTAL	UP TO	FOR THE	DELETIONS	TOTAL	UP TO	FOR THE	TOTAL	AS ON	AS ON	AS ON	
	01.04.2010				31-3-2010	YEAR		31-3-2010	YEAR			31-3-2010	YEAR		31-3-2011	31-3-2010	31.03.2011	
FURNITURE & FIXTURE	Rs. 4,940,065	Rs. 200,150		Rs. 5,140,215	4,893,685	-	4,893,685	2,675	13,368		16,043		-	Rs. 230,487	Rs. 43,705	-		
OFFICE EQUIPMENT	5,054,949	151,675		5,206,624	4,946,352	-	4,946,352	13,259	15,698		28,957		-	231,315	95,338	-		
COMMUNICATION EQUIPMENTS	345,141	67,143	5,395	406,889	313,448	-	313,448	1,107	6,531	320	7,318		-	86,123	30,586	-		
MACHINERY	393,000			393,000	392,607	-	392,607	-	-		-		-	393	393	-		
MOTOR VEHICLES	8,514,476	1,274,808		9,789,284	8,508,023	-	8,508,023	-	12,659		12,659		-	1,268,602	6,453	-		
COMPUTER & SOFTWARE	4,968,785	113,085		5,081,870	4,803,547	-	4,803,547	43,489	58,044		101,533		-	176,790	121,749	-		
SOLAR POWER PLANT AT KREDL	2,901,600			2,901,600	2,898,698	-	2,898,698	-	-		-		-	2,902	2,902	-		
Establishment of New Wind Monitoring Stations -10																		
Equipments -Wind Monitoring Stations	4,256,410			4,256,410	4,252,153	-	4,252,153	-	-		-		-	4,257	4,257	-		
Civil Works- Wind Monitoring Stations	566,372			566,372	565,805	-	565,805	-	-		-		-	567	567	-		
WIND DEMO PROJECT - MAVINAHUNDA, BELGAUM																		
Plant and Equipments	115,296,019			115,296,019	37,024,649	-	37,024,649	51,829,898	4,053,478		55,883,376		-	22,387,994	26,441,472	-		
Buildings*	15,981,285			15,981,285	4,975,351	-	4,975,351	5,432,164	557,377		5,989,541		-	5,016,393	5,573,770	-		

Land at Mavinahunda	6,274,184			6,274,184										6,274,184	6,274,184	-	
WIND DEMO PROJECT - SOGI, BELLARY																	
Plant and Equipments	113,216,128			113,216,128	37,563,509	-	37,563,509	44,480,935	8,405,846		52,886,781	-		22,765,838	31,171,684	-	
Buildings*	13,371,549			13,371,549	4,436,491	-	4,436,491	5,209,038	992,784		6,201,822	-		2,733,236	3,726,020	-	
Lease hold land	12,758,040	-		12,758,040	-	-	-	-	-		-	7,501,255	1,417,560	8,918,815	-	3,839,225	
TOTAL	308,838,003	1,806,861	5,395	310,639,469	115,574,318	-	115,574,318	107,012,565	14,115,785	320	121,128,030	7,501,255	1,417,560	8,918,815	61,179,081	73,493,080	3,839,225
Previous Year	308,499,165	338,838		308,838,003	115,574,318	-	115,574,318	92,146,713	14,865,852		107,012,565	6,083,695	1,417,560	7,501,255	73,493,080	88,020,094	5,256,785

ACCOUNTING YEAR ENDED 31 st MARCH 2011

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
	Rs.	Rs.
SCHEDULE 11		
Infrastructure Development Facilitation Fees		
Application fees for capacity allocation	18,711,222	6,902,745
DPR Processing fees- Wind	57,534,250	7,715,000
DPR Processing fees- Small hydro	22,481,501	13,166,500
DPR Processing fees- Co-Generaation	2,702,500	1,100,000
DPR Processing fees- Biomass	-	150,000
DPR Processing fees- Solar	-	500,000
Transfer Fees - Wind	36,480,000	22,230,000
Transfer Fees - Small Hydro	8,067,500	300,000
Transfer Fees - Solar	-	750,000
Transfer Fees - Biomass	80,000	-
Change of Company Name	2,738,400	1,458,000
Time Extension fee	29,405,000	4,150,000
Projects Cancelled fee as per GO	-	3,933,000
DPR Fee From Projects Allotment Before 2003	-	10,658,750
DPR Fee From Projects Allotment Before 2004	31,355,250	
Facilitation Letter fee	110,000	200,000
	209,665,623	73,213,995
SCHEDULE 12		
INCOME		
Interest Received on Fixed Deposits	46,469,729	39,959,436
Other Income (Sub Schedule XVII)	3,689,090	2,390,237
	50,158,819	42,349,673
SCHEDULE 13		
EMPLOYEES REMUNERATION AND BENEFITS		
Salary and Allowances	16,492,047	13,022,466
Contributory Provident Fund	1,251,916	1,052,376
Leave Salary Contribution	1,614,205	860,180
Employee's Group Insurance	172,350	169,800
Pension	979,674	116,709
Gratuity	698,928	554,471
Medical Expenses	407,327	363,772
Staff Welfare (Sub Schedule XVIII)	487,354	458,385
Bonus to Employee's	157,500	157,500
Chairman Remuneration	38,700	-
Managing Director's Remuneration	466,555	954,453
Medical Expenses-Managing Director	34,201	19,125
Books and Periodicals-MD/CCF/CAO/others	8,398	12,586
Reimbursement of rent -Chairman	64,500	-
	22,873,655	17,741,823

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
	Rs.	Rs.
SCHEDULE 14		
ADMINISTRATION EXPENSES		
Lease Rent	4,004,822	3,804,552
Travelling & Conveyance (Sub Schedule XIX)	1,083,486	1,333,168
Printing & Stationary	653,736	618,252
Postage & Telephone (Sub Schedule XX)	618,830	658,982
Office Expenses (Sub Schedule XXI)	248,339	322,705
Repairs and Maintenance - Vehicles	1,316,553	982,130
- Others	126,144	59,335
Rates & Taxes (Sub Schedule XXII)	57,783	130,419
Advertisement (Sub Schedule XXIII)	946,185	1,275,214
Membership & Subscription	-	6,200
Directors Sitting Fees	17,500	9,000
Audit Fees - Statutory Audit	75,000	75,000
Audit Fees - Internal Audit	80,000	87,500
Audit Fees - Tax Audit	17,500	17,500
Audit Fees - Investigation Audit	-	80,000
Performance Audit-Expenses re-imburement	-	15,899
Professional Charges (Sub Schedule XXIV)	428,072	228,236
Books and Periodicals	26,660	31,198
Electricity Charges	158,743	178,707
Insurance Charges	99,559	139,373
House Keeping Charges	164,311	72,566
Bank Charges	3,703	8,420
Transportation	84,240	-
Hospitality	173,345	99,867
	10,384,511	10,434,223
SCHEDULE 15		
<u>PROMOTIONAL ACTIVITIES OF RE EXPENSES</u>		
- Exhibitions, Workshops, Seminars, Meetings & Business Development Meets (Sub Schedule XXV)	6,563,098	525,778
Rajiv Gandhi Akshay Urja Divas-Exhibition	-	8,739
Mobile Exhibition Van - Exps	35,117	37,259
National Wind Resource Monitoring Programme	681,835	661,033
Other Expenses - Mavinhunda & Sogi Wind Demo Project	137,847	229,532
Rural Electrification Programme - DPR	110,994	39,176
	7,528,891	1,501,517

PARTICULARS	AS AT 31-03-2011	AS AT 31-03-2010
	Rs.	Rs.
SCHEDULE 16		
<u>Prior Year Income</u>		
DPR Processing Fee	-	331,875
Prior Period Income Tax	-	37713
Excess Provision-Salary	-	26723
Excess Provision-Postage	-	10578
SPV 1999-00	-	20800
Excess Provision-Statutory Audit fee	-	7725
BEE -2007-08	-	408547
Hybrid Systems Contribution-Yogavana Hills	-	15300
Total A	-	859,261
<u>Less : Prior Year Expenditure</u>		
-		
Prior Period Income Tax	1,974,095	84,415
Prior Period Expenses-Fee Accounted As Revenue	456,505	-
Application fee	-	71,250
DPR Processing fee-Bhimakali	-	100,000
Identify & PFR-SHP	-	201,270
Traveling Expenses	-	61,437
Pension-2007-08 KPCL	139,522	-
Local Conveyance	-	5,400
Petrol & Lubricates	-	20,227
SPV Service charges	-	214,500
Project Exp.-Sogi & MH	-	26,600
Refund of Income Tax	-	550,366
Total B	2,570,122	1,335,465
Net Total (A - B)	(2,570,122)	(476,204)

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED**SCHEDULE 17:****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011:-****A. BACKGROUND:-**

Karnataka Renewable Energy Development Limited (KREDL) was established in 1996 as a nodal agency of the Government of Karnataka to facilitate the development of non-conventional energy sources in the state. It is registered under Companies Act 1956.

The primary objective of the company is to develop both on grid and off grid power projects as a supplement to conventional energy power projects. It also acts as liaison office between the independent power producers and Government in the state and centre.

At present KREDL is concentrating on the development of renewable energy sources such as small hydro, wind, biomass, cogeneration in sugar factories and solar and also helping the private entrepreneurs in development of these sources.

Government of Karnataka in its Notification No.DE 22 PSR 2002 dt. 13.5.2004 designated Karnataka Renewable Energy Development Limited (KREDL) as "The Designated Agency" to co-ordinate, regulate and enforce the provisions contained in the Energy Conservation Act within the State of Karnataka. The Government authorized KREDL to establish a separate department within the organization for implementing the provisions of the energy conservation Act and to take necessary steps for capacity building programs in KREDL with the assistance of Bureau of Energy Efficiency (BEE) established by the Government of India.

B. SIGNIFICANT ACCOUNTING POLICIES:-**I. Basis of preparation of financial statements:-**

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 and the rules framed there under. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual except Interest on Motor Cycle Advance.

II. Fixed Assets and depreciation: -

- (a) Fixed Assets are stated at cost and includes directly attributable cost of bringing the asset to their working conditions.

- (b) Grants if any relating to fixed assets are shown as deduction from the gross value of the fixed assets and no depreciation charged on those fixed assets.
- (c) Depreciation is provided as per the Written Down Value Method at the rates specified in schedule XIV of the Companies Act, 1956 unless otherwise stated.
- (d) Plant and Machinery at Mavinahunda Wind Demonstration Project has been considered as a Continuous Process Plant and depreciation calculated accordingly.
- (e) Depreciation for assets at Sogi Wind Demonstration Project is written off over a period of 9 years being the balance of lease period for the land from the date of commissioning of the project. Lease hold land cost for Sogi Wind Demonstration Project is amortized over the lease period of ten years.

III. Accounting of Central Financial Assistance (CFA):-

The Company has been receiving financial assistance in the form of CFA from Ministry of New and Renewable Energy, Government of India. CFAs are accounted for where it is reasonably certain that the ultimate collection will be made.

CFA received and receivable from Ministry of New and Renewable Energy, Government of India is intended for utilization under various schemes and programmes. The expenditures incurred by the Company on such schemes and programmes are charged to the respective CFA and the unutilized amounts are classified as "Current Liabilities" and receivable amounts are classified as "Current Assets".

IV. Employees' Retirement Benefits:-

Retirement benefit to employees comprises contributions to provident fund, contributions to Gratuity Scheme and Leave encashment.

Provision for Gratuity is not based on actuarial valuation and not funded. Accrued liability for the period has been arrived at based on 15 days wage (I.e Basic Pay and Dearness Allowance) for each completed year of service.

In respect of leave encashment, the Company calculates the amount of leave salary payable by taking into account the leave credits of all the employees as on 31st March 2011.

V. Borrowing Cost:-

Interest and other charges on qualifying assets are capitalized up to the date the qualifying asset is commissioned or put to use. Other interest and charges are charged to the Profit and Loss Account.

VI. Accounting of Outstanding Liabilities:-

The payments made after 31st March 2011 but up to 31st July 2011 and relating to the financial year 2010-11 are provided for in the books of accounts as outstanding Liabilities.

VII. Operating Lease (AS-19):-

(a) Where the Company is a Lessee :-

The Company's significant leasing arrangements are in respect of operating leases for office premises. The leasing arrangement, which is not non-cancelable, is for three years and is usually renewable by mutual consent on agreed terms. The aggregate lease rent payable is charged as rent in the Profit and Loss account. The rental expenses debited to Profit and Loss account for the operating lease is Rs. 40,04,822(Previous year- Rs 3804552.00)

(b) Where the Company is a Lessor :-

KREDL is State's nodal agency for investigation, development and promotion of renewable energy sources. The Government of Karnataka leases the land to private entrepreneurs for 30 years through the Company to facilitate the setting up of renewable energy projects. Some of the entrepreneurs pay the lease rent in lump sum to the Government of Karnataka and others have to pay on an annual basis to Government of Karnataka at rates fixed by Government. Though the lease agreement with the Government states that rent has to be collected by the Company from the lessees and pay to the Government, in actual practice the payment of lease rent is not routed through the Company. Hence the amount receivable and payable are not accounted in the books of the Company. Total land leased out through the company so far is given in the tables below:

i. For Wind Energy Projects :

Years	Extent of Area	
	Acres	Guntas
1997-98	135	27
2000-01	90	8
2001-02	59	20
2002-03	527	22.7
2003-04	234	11
2004-05	56	12
2005-06	348	33
2006-07	235	5
2007-08	209	25
2008-09	21	12
2009-10	158	15
2010-11	23	33

ii. For Small Hydro Energy Projects :

Years	Extent of Area	
	Acres	Guntas
2002-03	48	7.1
2003-04	14	15
2004-05	132	13.6
2005-06	38	22
2006-07	6	0.7
2007-08	18	27
2008-09	0	0
2009-10	15	5
2010-11	28	17

(c) The details of minimum lease payments of non-cancelable lease are as under:

Sl No.	Description	Not later than one year	Later than one year and not later than five years	Later than five years
1	Future minimum lease payments under non cancelable lease			
	Mavinahunda (25.37 acres)	25370	101480	479460
	Others (Under Sub-lease)	2178077	8712308	41037649
2	Sub lease Received – Receivable Cumulative	2178077	8712308	41037649

The leased lands above have to be used for the purpose for which the same has been sanctioned by the Government of Karnataka. The lease can be revoked by the Government of Karnataka on infringement of terms and conditions of the lease agreement.

VIII. Use of estimates:-

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions which the Company may undertake in future, actual results may ultimately differ from these statements. Any revision to accounting estimates is recognized prospectively in the current and future years.

IX. Revenue recognition:-

Revenue from sale of wind power is recognized, on the basis of contractual obligations, in accordance with the terms of the agreement entered into by the Company with its customers (I.e KPTCL/ESCOM's in Karnataka).

Revenue from interest on bank deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Revenue from application fee, transfer fee and other fee except DPR Processing fee are recognized as and when received.

Revenue from DPR processing fee are recognized on commissioning for projects allotted prior to 01.10.2009 as per the accounting policies generally followed by the Company. In respect of projects allotted after 01.10.2009, revenue from DPR processing fee are recognized as and when the agreements are entered into with the developers of renewable energy.

X. Taxation: The Company is eligible for tax holiday under section 80IA of the Income Tax Act, 1961 for ten years out of fifteen year after the commencement of business. Hence the provision for current tax on the income for the year is made at the prevailing tax rate under section 115 JB of the Income Tax Act 1961. Deferred tax liability is calculated and provided in terms of the relevant accounting standard. The details of deferred tax liability as on 31st March 2011 are as under:

Deferred tax liability on account of difference in written down value of fixed assets.	13517320.00
Less : Deferred tax Assets on account of expenses allowable for tax purposes on payment basis	477552.00
Total	13039768.00

XI-Earning per share:-

Reconciliation of denomination for the purpose of calculating earning per share:

	31.03.2011	31.03.2010
Weighted average No.s of Equity Shares	500030	500030
Effect of dilutive potential Equity Shares	-	-
Total weighted No.s of shares including dilutive Equity Shares	500030	500030

Basic 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 earning 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

XII - Impairment of assets: -

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the Profit and loss account. However, no impairment loss is recognized during the year as no such indicator exists.

XIII-Contingent liabilities and provisions:-

Depending on facts of each case and after due evaluation of relevant legal aspects, the Company makes a provision when there is a present obligation as a result of a past event where outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. The disclosure is made for all possible or present obligations that may but probably will not require outflow of resources as contingent liability in the financial statements.

XIV- Accounting for credit available in respect of MAT under Income Tax Act:-

As per the Guidance note, issued by the Institute of Chartered Accountants of India, on accounting for credit available in respect of Minimum Alternative Tax (MAT) under the Income Tax Act 1961, MAT credit is a resource controlled by the Company as a result of past event,(viz., payment of MAT). MAT credit has expected future economic benefits in the form of its adjustments against the discharge of the normal tax liability if the same arises during the specified period and accordingly MAT credit is an asset. And it should be recognized as asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company has not recognized MAT credit asset as there is no convincing evidence to the effect that the Company will pay normal income tax during the specified period.

C. NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 5500 lacs (Previous year – Rs. 5500 lacs.)
2. Contingent Liabilities :

Contingent liabilities in respect of disputed tax/liability not provided in the books. The details are as under:

SL NO.	Name of the Statute	Nature of Dues	Amount in Rs.)	Period for which the amount relates (financial year)	Forum where dispute is pending
1	Income Tax Act, 1961	Income tax	25320605	2007-08	Commissioner Appeals (Income Tax)
2	Employees Provident fund and Miscellaneous Provisions Act, 1952	Interest/ Damage Charges	2070547	2001-02 to 2006-07	Appellate Tribunal

3. The power generated from project at Mavinahunda Belgaum Dist and Sogi, Bellary Dist was sold to Karnataka Power Transmission Corporation Ltd/ESCOM's. The corresponding number of units generated and sold during the year and previous year is as under:

Sl No	Project	2010-11		2009-10	
		Units Generated	Amount Rs.	Units Generated	Amount Rs.
1	Mavinahunda Wind Demo Project	4253738	1,54,60,314	4890249	1,75,05,827
2	Sogi Wind Demo Project	5814429	1,99,19,743	6759093	2,28,23,714

4. The Company has made provision for Income-tax for the current year. The Company feels that the provision for taxation in the books is adequate to cover the liability of the earlier years. Any difference in the provision will be accounted for as and when the assessment is completed or appeal is disposed off.
5. Balance due from / to sundry creditors, customers and other third parties are subject to confirmation.
6. Dues to Small Scale Industries: - The amount due to entities covered under Micro, Small and Medium Enterprises Act, 2006 have not been identified as the necessary information regarding the supplier, whether they are registered or not registered with the authority specified under the Micro, Small and Medium Enterprises Development Act, 2006 is not available with the Company.
7. During the financial year 2008-09, the Company has received Rs 25.00 lacs, as penalty, from M/s R.R.B.Energy Limited for unauthorised installation of wind energy converters in the land not sub leased to them. As per the order of GOK (Vide EN/422 NCE 2008 Bangalore dated 09.02.2009) the amount must be collected by the Company and utilised for development of energy sources as per the directives of the GOK. The amount so received was shown as "income from exceptional

transactions” in the Profit and Loss account of financial year 2008-09. Subsequently GOK issued a letter (NO- EN 604 NCE 2009 dated 03.06.2010) instructing the Company to transfer the amount so received to the ‘Akshaya Shakti Nidhi”. During the current financial year Company has transferred the said amount to “Akshaya Shakti Nidhi” by debiting to Profit and Loss Account.

8. The Company entered into power purchase agreement with KPTCL in December 2004 for the supply of power. Clause 6.2 and 6.3 of the agreement deals with the payment for energy supplied, wherein Clause 6.3 states that payment received after the due date shall carry interest at the rate of State Bank of India’s mid term lending rate until the payment is made in full. As on 31 March 2011, the Company has demanded Rs.2,02,68,214/- (Sogi wind Project- Rs. 1,12,10,768/- and Mavinhunda wind Project Rs.90,57,446/-) as interest at rate of 12% p.a on outstanding amounts. The company has not accounted for the same in its books of accounts. As the Company is perusing the matter continuously for payment of interest on outstanding amounts, appropriate entries will be made in the books of accounts, on receipt of confirmation from paying authority.
9. The Company received a notice from the Service tax department for registration and payment of tax under Service tax Act as provider of service under the category “Business Auxiliary Services” and “Renting of immovable property services”. However, the Company is of the opinion that the services provided by it are outside the purview of Service Tax Act.
10. Details of Salaries and Allowance paid to Managing Director/Chairman during the year 2010- 2011.

Managing Director

Sl No.	Particulars	2010-11	2009-10	
		H.G. Shivananda Murthy	Tushar Girnath, IAS	H.G. Shivananda Murthy
1	Salary	466555.00	2000.00	952453.00
2	Re-imburement of Medical Expenses	34201.00	-	19125.00
	Grand Total	500756.00	2000	971578.00

Chairman

Sl No.	Particulars	2010-11	2009-10
		C. M. Nimbannavar	NA
1	Salary	38700.00	-
2	Re-imburement of Rent	64500.00	-
	Grand Total	103200.00	-

Segment Information for the year ended 31st March 2011

A. Industry Segments

	Service Activity Rs.	Power Generation Rs.	Propogation of Renewable Energy Rs.	Un- Allocated Rs.	Consolidated Rs.
REVENUE :					
Infrastructure Development Facilitation Fees	209,665,623	-	-	-	209,665,623
Income from Power Generation	-	35,380,057	-	-	35,380,057
Sale of Solar Devices	-	-	-	-	-
Other Income	-	-	-	50,158,819	50,158,819
Total Revenue :	209,665,623	35,380,057	-	50,158,819	295,204,499
Direct Segment Expenditure	-	137,847	6,709,209	-	6,847,056
Un allocated Expenditure	-	-	-	50,981,241	50,981,241
Direct Finance Charges	-	3,374,705	-	-	3,374,705
Depreciation	-	14,115,785	-	-	14,115,785
Amortisation of Lease hold Land	-	1,417,560	-	-	1,417,560
Total Expenditure :	-	19,045,897	6,709,209	50,981,241	76,736,347

Profit Before Tax	209,665,623	16,334,160	(6,709,209)	(822,422)	218,468,152
Taxation for the year	-	-	-	36,520,082	36,520,082
Net Profit :	209,665,623	16,334,160	(6,709,209)	(37,342,504)	181,948,070
OTHER INFORMATION					
Segment Assets	-	52,903,461		2,001,436	54,904,897
Segment Liabilities	-	27,221,853		-	27,221,853
Capital Expenditure	-			-	-
Depreciation	-	14,115,785		-	14,115,785
Amortisation of Lease hold Land	-	1,417,560		-	1,417,560
B. Revenue by Geographical Market		Carrying amount of Segment Assets		Additions to Fixed Assets	
India		54,904,897		-	

11. Company has Power Purchase agreement with KPTCL entered in December 2004 for the supply of Power. Based on the agreement, Company has been supplying Power to KPTCL/ESCOM. The Board of Directors of the Company are also the Board members of the Power Purchasing Companies KPTCL/BESCOM, these organizations are power purchasing authorities as per the Statute of Government of Karnataka. As per AS-18, Para 9 "No disclosure is required in the financial statements of State Controlled Enterprises as regards related party relationship with other state controlled enterprises and transaction with such enterprises". Hence separate disclosure under Related Party Transactions (AS-18) not required.
13. Balance sheet abstract and company's business profile is enclosed as Annexure-1.
14. Previous years figures have recast / restated wherever necessary to confirm to the presentation of the current year.

For KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED

For KARUNAKARA SHETTY & Co.,
CHARTERED ACCOUNTANTS
(FRN- 008474S)

(N S PRASANNA KUMAR)
MANAGING DIRECTOR

(C M NIMBANAVAR)
CHAIRMAN

(KARUNAKAR SHETTY)
PARTNER
M.No. 207776

PLACE : BANGALORE
DATE : 8/9/2011

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31-3-2011

	As at 31-03-2011		As at 31-03-2010	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after tax		181,948,070		72,242,607
Adjustments for Profit & Loss items				
Depreciation	14,115,465		14,865,852	
Utilisation of Govt. Grant	-		-	
Amortisation of Lease hold land	1,417,560		1,417,560	
Preliminary Expenditure written off	-		-	
Interest cost	3,374,705		4,385,400	
Interest received	(46,469,729)		(39,959,436)	
		(27,561,999)		(19,290,624)
Operating Profit before adjustment for Working Capital items		154,386,071		52,951,983
(Increase) / Decrease in inventories	-		-	
(Increase) / Decrease in Sundry Debtors	(955,401)			
			87,050,503	
(Increase) / Decrease in Other Current Assets	(24,798,438)		(13,579,485)	
(Increase) / Decrease in Loans & Advances	(17,203,999)			
			197,897,059	
Increase / (Decrease) in Current Liabilities	58,954,402	15,996,564	61,927,208	333,295,285
Income tax Provision (Net)		24,020,082		(4,172,501)
Cash inflow / (Outflow) from Operating Activities		194,402,717		382,074,767
CASH FLOW FROM INVESTING ACTIVITIES:				
Interest received	46,469,729		39,959,436	
Purchase of fixed assets	(1,801,466)		(338,838)	
Increase in Capital Work in Progress	-		(154,165)	
Sale of Equity Shares	-		-	
		44,668,263		39,466,433
Cash inflow / (Outflow) from Investing Activities		44,668,263		39,466,433
CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment of Term Loans from Bank		(12,716,428)		(11,887,178)
Repayment of Redeemable Non Convertible Bonds		-		(194,000,000)
Interest cost		(3,374,705)		(4,385,400)
Cash inflow / (Outflow) from Financing Activities		(16,091,133)		(210,272,578)
Total Increase / (Decrease) in cash & cash equivalent		222,979,847		211,268,622

Opening Cash & Cash equivalents		636,773,214		425,504,592
Closing Cash & Cash equivalent		859,753,061		636,773,214
Details for cash & Cash Equivalent:				
CASH IN HAND & POSTAL LOADING BALANCE		16,992		17,100
BALANCES WITH SCHEDULED BANKS:				
-IN CURRENT ACCOUNTS	43,812,009		50,376,875	
-IN DEPOSIT ACCOUNTS	815,924,060		586,379,239	
		859,736,069		636,756,114
		859,753,061		636,773,214

For KARNATAKA RENEWABLE ENERGY
DEVELOPMENT LIMITED

As per our report dated 9/9/11
For
KARUNAKARA
SHETTY & CO.,
CHARTERED ACCOUNTANTS
FRN - 008474S

(N S PRASANNAKUMAR)
MANAGING DIRECTOR

(C M NIMBANNAVAR)
CHAIRMAN

(KARUNAKAR SHETTY)
PARTNER
M No.207776

PLACE : BANGALORE
DATE : 8/9/2011

KARNATAKA RENEWABLE ENERGY DEVELOPMENT LIMITED
BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE
ANNEXURE - 1

I Registration Details

Registration No.	State Code
08/20020 of 1996	8
Balance Sheet date	
31.3.2011	

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

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

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

Total Liabilities	Total Assets
455517	455517

Source of Funds

Paid up Capital	Reserves and Surplus
5000	410255
Secured Loan	Unsecured Loan
27221	0

Application of Funds

Net Fixed Assets	Investments
69675	0
Net Current Assets	Capital Work in Progress
385842	4657
Accumulated Losses	
NIL	

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

Turnover	Total Expenditure
295204	74166
Profit/Loss before tax	Profit / Loss after Tax
218468	181948
Earnings per Share in Rs.	Dividend Rate %
363.87	NIL

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

Products Description	Item Code No.
NA	

For KARNATAKA RENEWABLE
ENERGY DEVELOPMENT LIMITED

As per our report dated 9/9/2011
For KARUNAKARA SHETTY & CO.,
CHARTERED ACCOUNTANTS
(FRN- 008474S)

(N S PRASANNA KUMAR) (C M NIMBANNAVAR)
MANAGING DIRECTOR CAIRMAN

(KARUNAKARA SHETTY)
PARTNER
M No. 207776

PLACE : BANGALORE
DATE : 8/9/2011

