

# Praj Industries Limited.

## Details of Accounts of Subsidiaries: 2009-2010

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**Pacecon Engineering Projects Limited****Balance sheet**

as at 31st March 2010

(Currency : Indian rupees in millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	<b>31/03/2009</b>
<b>SOURCES OF FUNDS</b>			
Shareholders' funds			
Share capital	2	3,098	3,098
Reserves and surplus	3	10,694	27,003
		<u>13,792</u>	<u>30,101</u>
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>	4	0,110	0,110
<b>Deferred Tax Asset</b>	5	9,546	-
<b>Current assets, loans and advances</b>			
Contract in progress		7,926	1,253
Sundry Debtors	6	63,015	99,725
Cash and bank balances	7	57,405	51,265
Loans and advances	8	43,553	45,526
		<u>171,899</u>	<u>197,769</u>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	9	152,767	152,781
Provisions	10	14,996	14,996
		<u>167,763</u>	<u>167,777</u>
<b>Net current assets</b>		<b>4,136</b>	<b>29,992</b>
		<u>13,792</u>	<u>30,101</u>

The schedules referred to above form an integral part of the Balance sheet.

As per our report attached

**For B.K.Khare & Co.***Chartered Accountants***For and on behalf of the Board****U.B.Joshi***Partner*

Membership No.: 044097

Place: Pune

Date: 12th May 2010

**Dattatraya Nimbolkar***Director***Sanjay Kulkarni***Director*

**Pacecon Engineering Projects Limited**  
**Profit and loss account**  
*for the year ended 31st March 2010*

(Currency : Indian rupees in millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	<b>31'03/2009</b>
<b>Income</b>			
Income from operations		197.734	232.014
Other income	11	19.426	2.216
		<u>217.159</u>	<u>234.231</u>
<b>Expenditure</b>			
Operating, selling and other costs	12	243.015	214.321
Depreciation		-	-
Finance & Interest costs		0.000	0.000
		<u>243.015</u>	<u>214.321</u>
<b>Profit (Loss) before tax</b>		(25.856)	19.910
Provision for tax:			
- Current tax		-	6.800
- Deferred tax (credit)/charge		(9.546)	-
- Fringe benefit tax		-	-
<b>Profit (Loss) after tax</b>		<u>(16.309)</u>	<u>13.110</u>
Balance in Profit and loss account brought forward		26.773	13.664
<b>Balance in Profit and loss account carried forward</b>		<u>10.464</u>	<u>26.773</u>
<b>Basic and diluted earnings per share of face value of Rs 10 each</b>		(52.64)	42.31

The schedules referred to above form an integral part of the Profit and loss account.

As per our report attached

For **B.K.Khare & Co.**

*Chartered Accountants*

For and on behalf of the Board

**U.B.Joshi**

*Partner*

Membership No.: 044097

Place: Pune

Date: 12th May 2010

**Dattatraya Nimbolkar**

*Director*

**Sanjay Kulkarni**

*Director*

**Pacecon Engineering Projects Limited**

**Cash Flow Statement**

for the year ended 31st March 2010

(Currency : Indian rupees in millions, except share data)

	<i>Schedule</i>	31/03/2010	31/03/2009
<b>A. Cash flow from operating activities</b>			
Net profit / (loss) before tax		(25,856)	19,910
<i>Adjustments for:</i>			
Loss on sale of fixed assets		-	-
Depreciation		-	-
Interest earned		(2,866)	(2,150)
Dividend from investments		(0,015)	(0,015)
Interest charged		-	0,207
<b>Operating profit before working capital changes</b>		<b>(28,737)</b>	<b>17,951</b>
<i>Changes in Working Capital</i>			
(Increase)/decrease in sundry debtors		<b>36,710</b>	(33,830)
(Increase)/decrease in inventories		<b>(6,674)</b>	0,335
(Increase)/decrease in loans and advances		<b>9,834</b>	(13,221)
Increase/(decrease) in current liabilities		<b>(0,014)</b>	68,673
Increase/(decrease) in provisions			
<b>Cash generated from operations</b>		<b>11,119</b>	<b>39,908</b>
Direct taxes paid (net of refunds and including tax deducted at source)		<b>(6,819)</b>	(14,180)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>4,300</b>	<b>25,728</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets and intangibles		-	
Purchase of Investments		-	(0,008)
Investments in Fixed Deposits		(1,962)	(45,538)
Dividend from investments		0,015	0,015
Interest earned		<b>1,824</b>	2,150
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(0,123)</b>	<b>(43,379)</b>
<b>C. Cash flow from financing activities</b>			
Finance & Interest costs		-	(0,207)
<b>NET CASH (USED ) IN FINANCING ACTIVITIES</b>		<b>-</b>	<b>(0,207)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>4,177</b>	<b>(17,859)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>5,728</b>	<b>23,586</b>
<b>Cash and cash equivalents at the end of the period (*)</b>		<b>9,905</b>	<b>5,728</b>

\* Deposits with bank having maturity more than three months aggregating to Rs 47,500 (2009:45,538) are not readily liquid and have been excluded from cash & cash equivalents.

The notes referred to above form an integral part of the Cash flow statement.

As per our report attached

**For B.K.Khare & Co.**

*Chartered Accountants*

**U.B.Joshi**

*Partner*

Membership No.: 044097

Place: Pune

Date: 12th May 2010

**For and on behalf of the Board**

**Dattatraya Nimbolkar**

*Director*

**Sanjay Kulkarni**

*Director*

**Pacecon Engineering Projects Limited**  
**Schedules to the financial statements (Continued)**

for the year ended 31st March 2010

(Currency: Indian rupees in millions, except share data)

	Schedule	31/03/2010	31/03/2009
<b>2 Share capital</b>			
<b>Authorised capital</b>			
1,000,000 equity shares of Rs.10 each (2009: 1,000,000 equity shares of Rs 10 each)		<u>10,000</u>	<u>10,000</u>
<b>Issued, subscribed and paid-up capital</b>			
309,820 equity shares of Rs. 10 each fully paid up (2009: 309,820 equity shares of Rs. 10 each fully paid up)		<u>3,098</u>	<u>3,098</u>
Of the above . 500 equity shares of Rs.10 each were allotted pursuant to a contract without payment being received in cash.  308,350 (2009: 308,350) equity shares of Rs 10 each are held by Praj Industries Limited (the holding company)			
<b>3 Reserves and surplus</b>			
General reserve		0.230	0.230
Profit and loss account		<u>10.464</u>	<u>26.773</u>
		<u>10.694</u>	<u>27.003</u>
<b>4 Investments</b>			
Non trade, long term, unquoted:			
National Saving Certificates (2009: 0.008)		0.008	0.008
5,100 (2009: 5,100) shares of Rs 20 each fully paid of The Cosmos Co-operative Bank Limited		<u>0.102</u>	<u>0.102</u>
		<u>0.110</u>	<u>0.110</u>
<b>5 Deferred Tax asset</b>			
Effect of expenditure debited to the profit and loss account of the current year / earlier years allowed for tax purpose in the following year.		<u>9.546</u>	<u>-</u>
<b>6 Sundry Debtors</b>			
<i>Unsecured, considered good</i>			
Over six months			
- Considered good		12.479	16.728
- Considered doubtful		3.577	
- Others		<u>50.537</u>	<u>82.997</u>
		<u>66.592</u>	<u>99.725</u>
Less: Provision for doubtful debts		<u>3.577</u>	<u>-</u>
		<u>63.015</u>	<u>99.725</u>

**Pacecon Engineering Projects Limited**  
**Schedules to the financial statements (Continued)**  
for the year ended 31st March 2010

(Currency : Indian rupees in millions, except share data)

	Schedule	31/03/2010	31/03/2009
<b>7 Cash and bank balances</b>			
Cash in hand		0.799	0.672
Balances with scheduled banks			
- in current accounts		7.506	3.573
- in fixed deposits		49.099	47.021
		<u>57.405</u>	<u>51.265</u>
<b>8 Loans and advances</b>			
<i>Unsecured, considered good</i>			
Balances with excise and service tax		4.562	8.305
Advance income tax and tax deducted at source		25.343	18.525
Advances recoverable in cash or in kind or for value to be received		12.004	18.096
Accrued interest on deposit		1.464	0.422
Deposits		0.220	0.177
Less : Considered doubtful		0.040	-
		<u>0.180</u>	<u>0.177</u>
		<u>43.553</u>	<u>45.526</u>
<b>9 Current liabilities</b>			
Creditors for services			
- Dues to micro and small enterprises under MSMED Act, 2006.		-	-
- Dues to Other Parties (*)		60.036	57.726
		<u>60.036</u>	<u>57.726</u>
Dues to customers		12.212	17.888
Advances from customers		39.642	30.705
Other payables		40.877	46.463
		<u>152.767</u>	<u>152.781</u>
(*) Including Due To Holding Company Rs Nil, Maximum Balance during the year Rs 18.181 (2009: 14.962)			
<b>10 Provisions</b>			
Income tax		14.996	14.996
		<u>14.996</u>	<u>14.996</u>
<b>11 Other income</b>			
Interest			
- on fixed deposits (Gross)		2.866	2.191
(Tax deducted at source Rs 0.717 ; 2009 :Rs 0.559)			
- others (Gross) (Tax deducted at source Rs Nil; 2009: Rs Nil)		-	-
Dividend from investments		0.015	0.015
Bad debt written off, recovered		13.982	-
Miscellaneous income		2.563	0.010
		<u>19.426</u>	<u>2.216</u>
<b>12 Operating, selling and other costs</b>			
Site expenses		200.011	163.837
Forseeable losses on construction contracts		11.046	-
Insurance		3.071	2.777
Travel and conveyance		0.959	0.567
Bad Debts written off		-	28.306
Provision for doubtful debts and advances		3.617	-
Manpower Support Sevices		18.182	15.018
Auditors' remuneration			
- for audit services		0.100	0.100
- out of pocket expenses		0.000	0.006
Professional consultancy charges		5.305	2.914
Bank Charges		0.054	0.207
Miscellaneous expenses		0.670	0.589
		<u>243.015</u>	<u>214.321</u>

**Praj Far East Co., Ltd. Thailand****Balance Sheet**

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	31/03/2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	5.007	5.007
Reserves and surplus	2	4.329	3.792
		<u>9.336</u>	<u>8.799</u>
<b>Deferred tax liability (net)</b>		<u>(0.011)</u>	<u>-</u>
		<u>9.325</u>	<u>8.799</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed and Intangible assets</b>			
Gross block	3	1.067	1.010
Less : Accumulated depreciation and amortisation		0.362	0.189
Net book value		<u>0.705</u>	<u>0.821</u>
Capital work-in-progress (including capital advances)		-	-
<b>Current assets, loans and advances</b>			
Sundry debtors	4	2.706	7.463
Cash and bank balances	5	14.406	4.608
Loans and advances	6	0.578	0.412
		<u>17.690</u>	<u>12.483</u>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	7	9.070	3.568
Provisions		-	0.937
		<u>9.070</u>	<u>4.505</u>
<b>Net current assets</b>		<u>8.620</u>	<u>7.978</u>
		<u>9.325</u>	<u>8.799</u>

The schedules referred to above form an integral part of the Balance sheet.

As per our report attached.

**For Jnn Audit Co. Ltd****For and on behalf of the Board****Jong Junmit**

Certified Public Accountant (Thailand) No.6235

Place: Bangkok,Thailand

Date: 10 April 2010

**Yashodhan Mankame***Director*

**Praj Far East Co., Ltd. Thailand****Profit and loss account**

for the year ended 31st March 2010

(Currency : Indian rupees millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	<b>31/03/2009</b>
<b>Income</b>			
Net sales and services		<b>36.965</b>	19.045
Other income	8	<b>(0.193)</b>	0.036
		<b>36.772</b>	19.081
<b>Expenditure</b>			
Cost of materials consumed	9	<b>18.436</b>	-
Personnel costs	10	<b>3.564</b>	2.888
Manufacturing, selling and other costs	11	<b>13.112</b>	11.977
Depreciation and amortisation	3	<b>0.188</b>	0.141
Interest costs		-	-
		<b>35.300</b>	15.006
<b>Profit before tax, exceptional items &amp; prior period items</b>		<b>1.472</b>	4.075
Less: Exceptional items		-	-
<b>Profit before tax &amp; prior period items</b>		<b>1.472</b>	4.075
Less: Prior period items (net)		-	-
<b>Profit before tax</b>		<b>1.472</b>	4.075
Less: Provision for tax			
- Current tax		<b>0.333</b>	0.937
- Deferred tax		<b>(0.011)</b>	-
<b>Profit after tax</b>		<b>1.150</b>	3.138
Balance in Profit and loss account brought forward		<b>2.607</b>	(0.531)
<b>Balance in Profit and loss account carried forward</b>		<b>3.757</b>	2.607

The schedules referred to above form an integral part of the Profit and Loss account.

As per our report attached.

For Jnn Audit Co. Ltd

For and on behalf of the Board

Jong Junmit

Certified Public Accountant (Thailand) No.6235

Place: Bangkok, Thailand

Date: 10 April 2010

Yashodhan Mankame

Director



**Praj Far East Co., Ltd. Thailand****Cash flow statement***for the year ended 31st March 2010*

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>A. Cash flow from operating activities</b>		
Net profit before tax	1.472	4.075
<i>Adjustments for:</i>		
Depreciation and amortisation	0.188	0.141
Effect of exchange fluctuation on translation reserve	(0.613)	0.057
Interest earned		(0.036)
<b>Operating profit before working capital changes</b>	<u>1.047</u>	<u>4.237</u>
<i>Changes in working capital</i>		
(Increase) /decrease in sundry debtors	4.409	(7.463)
(Increase)/decrease in loans and advances	(0.166)	(0.316)
Increase/(decrease) in current liabilities	5.502	3.520
Increase/(decrease) in provisions	(0.937)	0.937
<b>Cash generated from operations</b>	<u>9.855</u>	<u>0.915</u>
Direct and fringe benefit taxes paid (including taxes deducted at source), net of refunds	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>9.855</u>	<u>0.915</u>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets and intangibles	(0.057)	(0.474)
Interest earned	-	0.036
<b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	<u>(0.057)</u>	<u>(0.438)</u>
<b>C. Cash flow from financing activities</b>		
Interest paid	-	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<u>9.798</u>	<u>0.477</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>4.608</u>	<u>4.131</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>14.406</u>	<u>4.608</u>

The schedules referred to above form an integral part of the Cash flow statement.

As per our report attached.

For Jnn Audit Co. Ltd

For and on behalf of the Board

**Jong Junmit**

Certified Public Accountant (Thailand) No.6235

Place: Bangkok, Thailand

Date: 10 April 2010

**Yashodhan Mankame**

Director

**Praj Far East Co., Ltd. Thailand**  
**Schedules to the financial statements**

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>1 Share capital</b>		
Issued, subscribed and paid-up capital	5.007	5.007
(Ordinary Share Capital:19600 shares @ 100 baht & Preference Share Capital:20400 shares @ 100 baht )		
<b>2 Reserves and surplus</b>		
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	1.185	1.128
Add : due to transactions during the year	(0.613)	0.057
Balance at the end of the year	0.572	1.185
<b>Profit and loss account</b>	3.757	2.607
	4.329	3.792
<b>3 Fixed and Intangible assets</b>		
	<b>Office Equipments &amp; Furnitures</b>	<b>Office Equipments &amp; Furnitures</b>
<b>Gross Block</b>		
At 1 April 2009	1.010	0.536
Additions	0.115	0.474
Deletions/Adjustments(*)	0.058	-
At 31 March 2010	1.067	1.010
<b>Accumulated Depreciation</b>		
At 1 April 2009	0.189	0.033
Charge for the year	0.188	0.141
Deletions/Adjustments(*)	0.015	(0.015)
At 31 March 2010	0.362	0.189
<b>Net Block</b>		
At 31 March 2010	0.705	0.821
(*) : Adjustments for foreign exchange rate difference.		
<b>4 Sundry debtors</b>		
<i>Unsecured</i>		
- Considered good	2.706	7.463
<b>5 Cash and bank balances</b>		
Cash in hand	0.001	-
Balances with banks		
- in current accounts	14.405	4.608
	14.406	4.608
<b>6 Loans and advances</b>		
Advances recoverable in cash or in kind or for value to be received	0.578	0.412
<b>7 Current liabilities</b>		
Creditors for goods and services	7.803	0.419
Other payables	1.267	3.149
	9.070	3.568
<b>8 Other income</b>		
Foreign exchange fluctuation loss (gain) (net)	(0.193)	-
Interest - on fixed deposits	-	0.036
	(0.193)	0.036
<b>9 Cost of materials consumed</b>		
Raw material consumed	18.436	-

**Praj Far East Co., Ltd. Thailand**  
**Schedules to the financial statements**

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>10 Personnel costs</b>		
Salaries, wages and bonus	3,564	2,781
Contributions to provident and other funds	-	-
Staff welfare	-	0.107
	<u>3,564</u>	<u>2,888</u>
<b>11 Manufacturing, selling and other costs</b>		
Site expenses and labour charges	6,699	5,226
Travel and conveyance	3,273	3,838
Professional consultancy charges	0,315	0,970
Insurance	0,274	0,203
Rent	0,940	1,030
Power and fuel	0,101	0,055
Communication expenses	0,419	0,829
Repairs and maintenance	0,015	0,014
Auditors' remuneration		
- for audit services	0,036	0,034
Foreign exchange fluctuation loss (gain) (net)		(1,063)
Miscellaneous expenses	1,040	0,841
	<u>13,112</u>	<u>11,977</u>

# BioEnergy Europa BV, Netherlands

## Balance Sheet

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	<b>31/03/2009</b>
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	<b>29.385</b>	29.385
Reserves and surplus	2	<b>22.942</b>	(15.501)
		<u><b>52.327</b></u>	<u>13.884</u>
<b>APPLICATION OF FUNDS</b>			
Fixed and Intangible assets			
Gross block		-	5.512
Less : Accumulated depreciation and amortisation		-	5.512
Net book value		<u>-</u>	<u>-</u>
Capital work-in-progress (including capital advances)			
<b>Current assets, loans and advances</b>			
Inventories	3	<b>48.517</b>	296.747
Sundry debtors	4	<b>2.096</b>	2.302
Cash and bank balances	5	<b>200.155</b>	91.249
Loans and advances	6	<b>0.149</b>	0.643
		<u><b>250.917</b></u>	<u>390.941</u>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	7	<b>198.590</b>	377.057
		<u><b>198.590</b></u>	<u>377.057</u>
<b>Net current assets</b>			
		<u><b>52.327</b></u>	<u>13.884</u>
		<u><b>52.327</b></u>	<u>13.884</u>

The schedules referred to above form an integral part of the Balance sheet.

As per our report attached.

For KPMG ACCOUNTANTS N.V.

For and on behalf of the Board

S.R.Iyer  
Director

A Upton  
Director

L.H. Barg RA  
Place:Netherland  
Date: 22 April 2010

B.M.Desai  
Director

S. Inamdar  
Director

## BioCnergy Europa BV, Netherlands

### Profit and loss account

for the year ended 31st March 2010

(Currency : Indian rupees millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	31/03/2009
<b>Income</b>			
Net sales and services		1470.455	2201.331
Other income	8	(0.806)	1.924
		<u>1469.649</u>	<u>2203.255</u>
<b>Expenditure</b>			
Cost of materials consumed	9	754.343	1118.110
Personnel costs	10	0.004	(0.433)
Manufacturing, selling and other costs	11	671.545	1086.535
Depreciation and amortisation		-	4.837
Interest costs		0.002	-
		<u>1425.894</u>	<u>2209.049</u>
<b>Profit before tax, exceptional items &amp; prior period items</b>		<u>43.755</u>	<u>(5.794)</u>
Less: Exceptional items		-	-
<b>Profit before tax &amp; prior period items</b>		43.755	(5.794)
Less: Prior period items (net)		-	-
<b>Profit before tax</b>		43.755	(5.794)
Less: Provision for tax		-	-
<b>Profit after tax</b>		<u>43.755</u>	<u>(5.794)</u>
Balance in Profit and loss account brought forward		(45.983)	(40.189)
<b>Balance in Profit and loss account carried forward</b>		<u>(2.228)</u>	<u>(45.983)</u>

The schedules referred to above form an integral part of the Profit and Loss account.

As per our report attached.

For KPMG ACCOUNTANTS N.V.

For and on behalf of the Board

S.R.Iyer  
Director

A Upton  
Director

L.H. Barg RA  
Place:Netherland  
Date: 22 April 2010

B.M.Desai  
Director

S. Inamdar  
Director

**BioCnergy Europa BV, Netherlands****Cash flow statement**

for the year ended 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>A. Cash flow from operating activities</b>		
Net profit before tax	43.755	(5.794)
Adjustments for:		
Depreciation and amortisation	-	4.837
Effect of exchange fluctuation on translation reserve	(5.312)	0.703
Interest earned	(0.025)	(0.853)
Interest charged	0.002	-
<b>Operating profit before working capital changes</b>	<b>38.420</b>	<b>(1.107)</b>
<i>Changes in working capital</i>		
(Increase) /decrease in sundry debtors	0.206	4.597
(Increase)/decrease in inventories (including contracts in progress)	248.230	(296.747)
(Increase)/decrease in loans and advances	0.494	2.013
Increase/(decrease) in current liabilities	(178.467)	350.203
Increase/(decrease) in provisions	-	-
<b>Cash generated from operations</b>	<b>108.883</b>	<b>58.959</b>
Direct and fringe benefit taxes paid (including taxes deducted at source), net of re.	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>108.883</b>	<b>58.959</b>
<b>B. Cash flow from investing activities</b>		
Interest received on investments	0.025	0.853
<b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	<b>0.025</b>	<b>0.853</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(0.002)	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(0.002)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>108.906</b>	<b>59.812</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>91.249</b>	<b>31.437</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>200.155</b>	<b>91.249</b>

The schedules referred to above form an integral part of the Cash flow statement.

As per our report attached.

For KPMG ACCOUNTANTS N.V.

For and on behalf of the Board

L.H. Barg RA

Place:Netherland

Date: 22 April 2010

S.R.Iyer

Director

B.M.Desai

Director

A. Upton

Director

S. Inamdar

Director

**BioCnergy Europa BV, Netherlands**  
**Schedules to the financial statements**

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03 2009
<b>1 Share capital</b>		
Issued, subscribed and paid-up capital (500,000 equity shares @ 1 Euro each fully paid )	<u>29.385</u>	<u>29.385</u>
<b>2 Reserves and surplus</b>		
Securities premium account	29.385	29.385
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	1.097	0.394
Add : due to transactions during the year	<u>(5.312)</u>	<u>0.703</u>
Balance at the end of the year	<u>(4.215)</u>	<u>1.097</u>
<b>Profit and loss account</b>	(2.228)	(45.983)
	<u>22.942</u>	<u>(15.501)</u>
<b>3 Inventories</b>		
Raw materials and stores	<u>48.517</u>	<u>296.747</u>
<b>4 Sundry debtors</b>		
<i>Unsecured</i>		
- Considered good	<u>2.096</u>	<u>2.302</u>
<b>5 Cash and bank balances</b>		
Cash in hand	-	-
Balances with banks		
- in current accounts	<u>200.155</u>	<u>91.249</u>
	<u>200.155</u>	<u>91.249</u>
<b>6 Loans and advances</b>		
Advances recoverable in cash or in kind or for value to be received	0.149	0.643
<b>7 Current liabilities</b>		
Creditors for goods and services:	92.507	43.964
Advances from customers	105.629	1.804
Other payables	<u>0.454</u>	<u>331.289</u>
	<u>198.590</u>	<u>377.057</u>
<b>8 Other income</b>		
Foreign exchange fluctuation loss (gain) (net)	(0.839)	0.000
Interest - on fixed deposits	0.025	0.853
Miscellaneous income	<u>0.008</u>	<u>1.071</u>
	<u>(0.806)</u>	<u>1.924</u>
<b>9 Cost of materials consumed</b>		
Raw material consumed	<u>754.343</u>	<u>1118.110</u>
<b>10 Personnel costs</b>		
Salaries, wages and bonus	-	(0.875)
Contributions to provident and other funds	-	1.170
Staff welfare	<u>0.004</u>	<u>(0.728)</u>
	<u>0.004</u>	<u>(0.433)</u>

**BioEnergy Europa BV, Netherlands**  
**Schedules to the financial statements**

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>11 Manufacturing, selling and other costs</b>		
Travel and conveyance	0.225	8.108
Professional consultancy charges	666.795	1057.952
Rent	-	9.499
Advertising and exhibition expenses	0.016	1.201
Communication expenses	1.287	3.509
Repairs and maintenance:		
- Building	0.236	0.003
- Others	0.027	0.691
Auditors' remuneration		
- for audit services	0.843	0.197
Foreign exchange fluctuation loss (gain) (net)		3.725
Miscellaneous expenses	2.116	1.650
	<u>671.545</u>	<u>1086.535</u>



**Praj Jaragua Bioenergia S.A. Brazil****Balance Sheet**

as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	31/03/2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	<b>124.965</b>	76.880
Share application money	2	<b>8.342</b>	38.077
Reserves and surplus	3	<b>(128.992)</b>	(99.886)
		<b>4.315</b>	15.071
<b>APPLICATION OF FUNDS</b>			
Fixed and Intangible assets			
Gross block	11	<b>5.570</b>	2.318
Less : Accumulated depreciation and amortisation		<b>1.797</b>	0.225
Net book value		<b>3.773</b>	2.093
Capital work-in-progress (including capital advances)		-	-
<b>Current assets, loans and advances</b>			
Cash and bank balances	4	<b>2.348</b>	13.849
Loans and advances	5	<b>1.046</b>	1.091
		<b>3.394</b>	14.940
<b>Less: Current liabilities and provisions</b>			
Current liabilities	6	<b>2.852</b>	1.198
Provisions	7	-	0.764
		<b>2.852</b>	1.962
<b>Net current assets</b>		<b>0.542</b>	12.978
		<b>4.315</b>	15.071

The schedules referred to above form an integral part of the Balance sheet.

As per our report attached.

For Crowe Horwath RCS

For and on behalf of the Board

**Paulo Sergie Tufani**  
Place: Brazil  
Date: 29 May 2010

**Cristian Silva**  
*Director*

**Wagnor Othero**  
*Director*

**Shashank Inamdar**  
*Director*

**Praj Jaragua Bioenergia S.A. Brazil****Profit and loss account**

for the year ended 31st March 2010

(Currency : Indian rupees millions, except share data)

	<i>Schedule</i>	<b>31/03/2010</b>	31/03/2009
<b>Income</b>			
Net sales and services		-	-
Other income	8	<u>0.591</u>	<u>3.272</u>
		<b>0.591</b>	<b>3.272</b>
<b>Expenditure</b>			
Cost of materials consumed		-	-
Personnel costs	9	<b>15.444</b>	44.639
Manufacturing, selling and other costs	10	<b>16.270</b>	57.775
Depreciation and amortisation	11	<b>1.106</b>	0.238
Interest costs		<u>0.288</u>	-
		<b>33.108</b>	<u>102.652</u>
<b>Profit before tax, exceptional items &amp; prior period items</b>		<u><b>(32.517)</b></u>	<u>(99.380)</u>
Less: Exceptional items		-	-
<b>Profit before tax &amp; prior period items</b>		<b>(32.517)</b>	(99.380)
Less: Prior period items (net)		-	-
<b>Profit before tax</b>		<b>(32.517)</b>	(99.380)
Less: Provision for tax		-	-
<b>Profit after tax</b>		<u><b>(32.517)</b></u>	<u>(99.380)</u>
Balance in Profit and loss account brought forward		<u>(99.380)</u>	-
<b>Balance in Profit and loss account carried forward</b>		<u><b>(131.897)</b></u>	<u>(99.380)</u>

The schedules referred to above form an integral part of the Profit and Loss account.

As per our report attached.

For Crowe Horwath RCS

For and on behalf of the Board

**Paulo Sergie Tufani**

Place: Brazil

Date: 29 May 2010

**Cristian Silva**

Director

**Wagnor Othero**

Director

**Shashank Inamdar**

Director

**Praj Jaragua Bioenergia S.A. Brazil**

**Cash flow statement**

for the year ended 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(32.517)	(99.380)
<i>Adjustments for:</i>		
Depreciation and amortisation	1.572	0.238
Interest earned	(0.614)	(3.272)
Effect of exchange fluctuation on translation reserve	3.411	(0.506)
Interest charged	0.288	-
<b>Operating profit before working capital changes</b>	<u>(27.860)</u>	<u>(102.920)</u>
<i>Changes in working capital</i>		
(Increase)/decrease in loans and advances	0.254	(0.490)
Increase/(decrease) in current liabilities	1.654	1.198
Increase/(decrease) in provisions	(0.764)	0.764
<b>Cash generated from operations</b>	<u>(26.716)</u>	<u>(101.448)</u>
Direct and fringe benefit taxes paid (including taxes deducted at source), net of refunds	(0.209)	(0.614)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>(26.925)</u>	<u>(102.062)</u>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets and intangibles	(3.252)	(2.318)
Interest received on investments	0.614	3.272
<b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	<u>(2.638)</u>	<u>0.954</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from preferential allotment of shares / warrants	48.085	76.880
Proceeds from share application money pending allotment	(29.735)	38.077
Interest paid	(0.288)	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>18.062</u>	<u>114.957</u>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<u>(11.501)</u>	<u>13.849</u>
<b>Cash and cash equivalents at the beginning of the year</b>	<u>13.849</u>	<u>-</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>2.348</u>	<u>13.849</u>

The schedules referred to above form an integral part of the Cash flow statement.

As per our report attached

For Crowe Horwath RCS

For and on behalf of the Board

Paulo Sergie Tufani

Place: Brazil

Date: 29 May 2010

Cristian Silva

Director

Wagnor Othero

Director

Shashank Inamdar

Director

**Praj Jaragua Bioenergia S.A. Brazil**  
**Schedules to the financial statements**  
as at 31st March 2010

(Currency : Indian rupees millions, except share data)

	31/03/2010	31/03/2009
<b>1 Share capital</b>		
Issued, subscribed and paid-up capital (5,257,748 equity shares of Brazil Real 1 each fully paid)	124.965	76.880
<b>2 Share application money</b>	8.342	38.077
<b>3 Reserves and surplus</b>		
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	(0.506)	
Add : due to transactions during the year	3.411	(0.506)
Balance at the end of the year	2.905	(0.506)
<b>Profit and loss account</b>	(131.897)	(99.380)
	(128.992)	(99.886)
<b>4 Cash and bank balances</b>		
Cash in hand	0.153	0.129
Balances with banks - in current accounts	2.195	13.720
	2.348	13.849
<b>5 Loans and advances</b>		
Advances recoverable in cash or in kind or for value to be received	0.223	0.233
Advance income tax and tax deducted at source, net of provision for tax	0.823	0.614
Deposits	-	0.244
	1.046	1.091
<b>6 Current liabilities</b>		
Creditors for goods and services:	1.359	-
Other payables	1.493	1.198
	2.852	1.198
<b>7 Provisions</b>		
Compensated absences	-	0.764
<b>8 Other income</b>		
Foreign exchange fluctuation loss (gain) (net)	(0.023)	0.000
Interest - on fixed deposits	0.614	3.272
	0.591	3.272
<b>9 Personnel costs</b>		
Salaries, wages and bonus	11.559	33.629
Contributions to provident and other funds	3.725	9.960
Staff welfare	0.160	1.050
	15.444	44.639
<b>10 Manufacturing, selling and other costs</b>		
Site expenses and labour charges	-	1.357
Travel and conveyance	0.879	5.817
Professional consultancy charges	13.433	34.839
Insurance	0.108	6.064
Power and fuel	0.279	-
Repairs and maintenance: - Others		0.372
Advertising and exhibition expenses	0.412	4.632
Communication expenses	0.535	0.884
Auditors' remuneration - for audit services	0.012	0.574
Foreign exchange fluctuation loss (gain) (net)		0.001
Miscellaneous expenses	0.612	3.235
	16.270	57.775

**Praj Jaragua Bioenergia S.A. Brazil**

**Schedules to the financial statements**

as at 31st March 2010

**11 Fixed and Intangible assets**

(Currency : Indian rupees millions, except share data)

	Software	Computers	Furnitures & Fixtures	Vehicles	Communication Equipments	Total
<b>Gross Block</b>						
At 1 April 2009	0.697	1.438	0.418	-	0.027	2.580
Additions				2.990		2.990
Deletions						
At 31 March 2010	<b>0.697</b>	<b>1.438</b>	<b>0.418</b>	<b>2.990</b>	<b>0.027</b>	<b>5.570</b>
<b>Accumulated Depreciation</b>						
At 1 April 2009	0.088	0.130	0.024	0.448	0.001	0.691
Charge	0.154	0.294	0.044	0.611	0.003	1.106
Deletions						
At 31 March 2010	<b>0.242</b>	<b>0.424</b>	<b>0.068</b>	<b>1.059</b>	<b>0.004</b>	<b>1.797</b>
<b>Net Block</b>						
At 31 March 2010	<b>0.455</b>	<b>1.014</b>	<b>0.350</b>	<b>1.931</b>	<b>0.023</b>	<b>3.773</b>
At 31 March 2009	0.546	1.185	0.339	-	0.023	2.093