

GVK Airport Developers Limited
(Formerly known as GVK Airport Developers Private Limited)
Balance Sheet as at March 31, 2015
(All amounts in Indian Rupees, unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	3	13,000,000,000	2,800,000,000
Reserves and surplus	4	(11,423,115,534)	(7,855,372,886)
		<u>1,576,884,466</u>	<u>(5,055,372,886)</u>
Share application money pending allotment	23	-	14,078,000,000
Non-current liabilities			
Long-term borrowings	5	3,233,585,272	14,986,575,035
		<u>3,233,585,272</u>	<u>14,986,575,035</u>
Current liabilities			
Short-term borrowings	6	14,803,426,670	10,535,933,464
Trade payables	7	166,224,890	28,990,955
Other current liabilities	8	15,353,494,230	510,399,276
Short-term provisions	9	236,817,604	171,146,735
		<u>30,559,963,394</u>	<u>11,246,470,430</u>
TOTAL		35,370,433,132	35,255,672,579
ASSETS			
Non-current assets			
Non-current investments	10	2,507,832,550	2,507,832,550
Long-term loans and advances	11	32,291,592,397	32,291,294,146
Other non-current assets	12	69,504,742	142,345,278
		<u>34,868,929,689</u>	<u>34,941,471,974</u>
Current assets			
Trade Receivables	13	234,308,798	97,560,005
Cash and bank balances	14	536,876	3,174,295
Short-term loans and advances	11	23,170	463
Other current assets	12	266,634,599	213,465,842
		<u>501,503,443</u>	<u>314,200,605</u>
TOTAL		35,370,433,132	35,255,672,579
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GVK Airport Developers Limited

Per Vikas Kumar Pansari
Partner
Membership No. 93649

Dr. G V Krishna Reddy
Chairman & Director

G V Sanjay Reddy
Director

Place : Hyderabad
Date: May 14, 2015

GVK Airport Developers Limited
(Formerly known as GVK Airport Developers Private Limited)
Statement of profit and loss for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
INCOME			
Revenue from operations	15	471,071,880	97,560,005
Other income	16	1,250,643	248,788,969
Total		<u>472,322,523</u>	<u>346,348,974</u>
EXPENSES			
Operating and other expenses	17	200,180,966	36,359,885
Finance costs	18	3,718,226,716	3,041,888,413
Total		<u>3,918,407,682</u>	<u>3,078,248,298</u>
Loss before tax and prior period expense		(3,446,085,159)	(2,731,899,324)
Prior period expense - interest expense		28,986,620	-
Loss before tax		(3,475,071,779)	(2,731,899,324)
Tax expenses			
Current tax		92,670,869	112,882,795
Total tax expense		<u>92,670,869</u>	<u>112,882,795</u>
Loss for the year		<u>(3,567,742,648)</u>	<u>(2,844,782,119)</u>
Earnings per share			
Basic		(12.59)	(10.16)
Diluted		(12.59)	(10.16)
Nominal value per share		10	10
Weighted average number of shares		283,342,466	280,000,000
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
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G V Sanjay Reddy
Director

Place of Signature: Hyderabad
Date: May 14, 2015

GVK Airport Developers Limited
(Formerly known as GVK Airport Developers Private Limited)
Cash Flow Statement for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

	March 31, 2015	March 31, 2014
A. Cash flow from operating activities		
Loss before tax	(3,475,071,779)	(2,731,899,324)
Adjustments to reconcile loss before tax to net cash flows		
Interest expense	3,093,533,421	2,690,683,732
Prior period expense- interest expense	28,986,620	-
Interest earned	-	(210,725,753)
Dividends income	-	(1,266)
Unrealised foreign exchange gain	(988,025)	-
Operating loss before working capital changes	(353,539,763)	(251,942,611)
Movements in working capital:		
Increase in trade receivables and other assets	(117,264,387)	(290,206,015)
Increase in short term loans and advances	(22,707)	(463)
Increase in trade payables	137,233,935	28,990,955
Increase in other current liabilities	44,916,757	8,375,844
Cash generated/(used) in operations	64,863,598	(252,839,679)
Taxes paid (net of refunds)	(27,000,000)	(55,316,294)
Net cash used in operating activities	A (315,676,165)	(560,098,584)
B. Cash flows from investing activities		
Advances given to subsidiaries	(9,794,522)	(2,855,542)
Refund of advances from subsidiaries	10,671,669	35,143,834
Interest received	-	213,077,289
Proceeds from maturity of fixed deposits	-	4,670,325,000
Dividends received	-	1,266
Net cash generated/(used) in investing activities	B 877,147	4,915,691,847
C. Cash flow from financing Activities		
Proceeds/(repayment) of short term borrowings	4,267,493,206	(3,660,022,965)
Proceeds from long term borrowings (refer note below)	664,270,000	1,374,706,369
Repayments of long term borrowings	(124,185,484)	-
Interest paid (refer note below)	(1,303,516,123)	(2,571,437,304)
Proceeds from equity share capital	200,000,000	-
Proceeds from preference share capital	592,000,000	-
Refund of share application money	(3,983,900,000)	-
Net cash generated/(used) in financing activities	C 312,161,599	(4,856,753,900)
Net decrease in cash and cash equivalents	(A+B+C) (2,637,419)	(501,160,637)
Cash and cash equivalents as at beginning of the year	3,174,295	504,334,932
Cash and cash equivalents as at the end of the period	536,876	3,174,295
Components of Cash and cash equivalents as at March 31		
Balances with banks on current accounts	536,876	3,174,295
Cash and bank balance as per balance sheet	14 536,876	3,174,295

During the current year, interest of Rs. 1,752,527,011 accrued on loans from financial institutions has been converted into principal. This has been considered as non-cash item for the purpose of cash flow statement.

The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement".

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

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GVK Airport Developers Limited

per Vikas Kumar Pansari
Partner
Membership No. 93649

Dr. G V Krishna Reddy
Chairman & Director

G V Sanjay Reddy
Director

Place of Signature: Hyderabad
Date: May 14, 2015

3 Share capital

	March 31, 2015	March 31, 2014
Authorised share capital		
Equity shares		
1,000,000,000 (March 31, 2014: 500,000,000) equity shares of Rs. 10 each	10,000,000,000	5,000,000,000
Preference shares		
1,500,000 (March 31, 2014: 1,000,000) redeemable preference shares of Rs. 10,000 each	15,000,000,000	10,000,000,000
	25,000,000,000	15,000,000,000
Issued, subscribed and paid up		
Equity shares		
300,000,000 (March 31, 2014: 280,000,000) equity shares Rs. 10 each fully paid up	3,000,000,000	2,800,000,000
Preference shares		
1,000,000 (March 31, 2014: Nil) 13.3% Non-cumulative redeemable preference shares of Rs.10,000 each fully paid up	10,000,000,000	-
	13,000,000,000	2,800,000,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2015		March 31, 2014	
	No.	Amount	No.	Amount
Equity shares of Rs. 10 each fully paid up				
At the beginning of the year	280,000,000	2,800,000,000	280,000,000	2,800,000,000
Issued during the year	20,000,000	200,000,000	-	-
Outstanding at the end of the year	300,000,000	3,000,000,000	280,000,000	2,800,000,000

	March 31, 2015		March 31, 2014	
	No.	Amount	No.	Amount
Preference shares of Rs. 10,000 each fully paid up				
At the beginning of the year	-	-	-	-
Issued during the year	1,000,000	10,000,000,000	-	-
Outstanding at the end of the year	1,000,000	10,000,000,000	-	-

b) Terms/right attached to shares

Equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

The Company has only one class of preference shares having par value of Rs.10,000 per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Preference shares are re-payable after a period of ten years with an option of an early redemption any time after one year from the date of allotment or such period as may be mutually agreed by giving a month's notice.

GVK Airport Developers Limited
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Notes to financial statements as at and for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

c) Shares held by holding company and its subsidiary

Out of equity and preference shares issued by the Company, shares held by its holding company and its subsidiary are as below:

	March 31, 2015 No.	March 31, 2014 No.
Equity shares		
GVK Power & Infrastructure Limited	300,000,000	280,000,000
Preference Shares		
GVK Jaipur Expressway Private Limited	940,800	-
GVK Power & Infrastructure Limited	59,200	-

d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2015		March 31, 2014	
	No.	% of holding	No.	% of holding
Equity shares				
GVK Power & Infrastructure Limited	300,000,000	100%	280,000,000	100%
Preference Shares				
GVK Jaipur Expressway Private Limited	940,800	94%	-	-
GVK Power & Infrastructure Limited	59,200	6%	-	-

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

4 Reserves and surplus

	March 31, 2015	March 31, 2014
Deficit in statement of profit and loss		
Balance, beginning of the year	(7,855,372,886)	(5,010,590,767)
Loss during the year	(3,567,742,648)	(2,844,782,119)
Balance as at year end	(11,423,115,534)	(7,855,372,886)

5 Long-term borrowings

	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
From financial institutions (secured)	3,233,585,272	14,986,575,035	14,293,988,386	248,387,096
	3,233,585,272	14,986,575,035	14,293,988,386	248,387,096
Amount disclosed under the head "other current liabilities" (Note 8)	-	-	(14,293,988,386)	(248,387,096)
Net amount	3,233,585,272	14,986,575,035	-	-

(i) The term loans from financial institutions are secured by:

a) Pledge of 61% of the equity shares of the Company held by GVK Power & Infrastructure Limited ("Parent Company"), pledge of 61% of the shares held by the Company in GVK Airport Holdings Private Limited and Bangalore Airport & Infrastructure Developers Private Limited each on pari-passu basis with other lenders.

ii) The loans are also secured by way of charge on following properties:

a) First pari-passu charge on land admeasuring 143 acres situated at Himayathsagar Village & Gram Panchayat, Rejendra Nagar Mandal, Ranga Reddy District ("Himayath Sagar Property") held by Paigah House Hotels Private Limited.

b) First pari-passu charge on GVK Office Building comprising of land admeasuring 17,500 sq. yards and building forming part of "Paigah House" held by Paigah House Hotels Private Limited.

iii) Loan amounting to Rs. 13,622,009,142 is further secured by second pari-passu charge on land admeasuring 2,685 acres located in Perambalur District, Tamilnadu held by GVK Perambalur SEZ Private Limited. Further, loan aggregating to Rs. 3,905,564,516 is secured by corporate guarantee of Parent Company and further pledge of 23% of the equity shares held by the Company in Bangalore Airport & Infrastructure Developers Private Limited and pledge of 63,648,000 shares of GVK Industries Limited held by GVK Energy Limited.

(iv) The loan amounting to Rs. 13,622,009,142 and Rs. 3,725,564,516 presently carries an interest rate of 13.80% p.a. and 18.00% p.a. respectively.

(v) The loan amounting to Rs. 180,000,000 presently carries an interest rate of 15.21% p.a and is repayable in 29 unequated monthly instalments commencing from April 22, 2015.

(vi) Loan amounting to Rs. 13,622,009,142 is payable in single bullet payment on September 16, 2015.

(vii) Loan amounting to 3,725,564,516 is payable in quarterly instalments of Rs. 124,193,548 commencing from October 31, 2014.

6 Short-term borrowings

	March 31, 2015	March 31, 2014
Secured		
Rupee loan from financial institution	725,000,000	-
Unsecured		
Cash credit from banks	5,937,865,494	4,477,023,613
Interest free loans and advances from related parties repayable on demand (note 19)	8,140,561,176	6,058,909,851
	14,803,426,670	10,535,933,464

A. Cash credit from banks are unsecured and carry an interest ranging from 9% p.a to 11.00% p.a. and is repayable on demand.

B. The loans from financial institution is secured by:

a) Pledge of 61% of the equity shares of the Company held by GVK Power & Infrastructure Limited ("Parent Company"), pledge of 61% of the shares held by the Company in GVK Airport Holdings Private Limited and Bangalore Airport & Infrastructure Developers Private Limited each on pari-passu basis with other lenders.

b) The loan is also secured by way of charge on following properties:

i) First pari-passu charge on land admeasuring 143 acres situated at Himayathsagar Village & Gram Panchayat, Rejendra Nagar Mandal, Ranga Reddy District ("Himayath Sagar Property) held by Paigah House Hotels Private Limited.

ii) First pari-passu charge on GVK Office Building comprising of land admeasuring 17,500 sq. yards and building forming part of "Paigah House" held by Paigah House Hotels Private Limited.

iii) Further, loan is secured by corporate guarantee of Parent Company and further pledge of 23% of the equity shares held by the Company in Bangalore Airport & Infrastructure Developers Private Limited and pledge of 63,648,000 shares of GVK Industries Limited held by GVK Energy Limited.

c) The loan carries an interest rate of 13.00% p.a.

d) The loan is repayable in 25 equal quarterly instalments commencing from April 30, 2016. The lender holds an option to demand repayment of the entire loan once in every six months from the date of initial draw down.

The Company has not made payment of interest and principal dues in certain cases. The details of payments not made are as follows:

Particulars	March 31, 2015		March 31, 2014	
	Amount	Period of delay	Amount	Period of delay
Interest on bank overdrafts	14,114,576	Upto 5 days	-	-
Interest on bank overdrafts	8,641,975	Upto 33 days	-	-
Interest on bank overdrafts	1,518,250	Upto 64 days	-	-
Interest on bank overdrafts	1,403,493	Upto 95 days	-	-
Principal due on bank overdrafts	5,666,000	Upto 66 days	-	-
Principal due on bank overdrafts	6,801,756	Upto 96 days	-	-

7 Trade payables

	March 31, 2015	March 31, 2014
Dues to micro, small and medium enterprises (note 21)	-	-
Others	166,224,890	28,990,955
	166,224,890	28,990,955

GVK Airport Developers Limited
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Notes to financial statements as at and for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

8 Other current liabilities

	March 31, 2015	March 31, 2014
Current maturities of long-term debt (note 5)	14,293,988,386	248,387,096
Interest accrued but not due on borrowings	133,755,967	102,432,066
Interest accrued and due on borrowings	183,868,630	148,715,624
Other liabilities	55,781,247	10,864,490
Share application money due for refund (note 23)	686,100,000	-
	15,353,494,230	510,399,276

The Company has not made payment of interest and principal dues in certain cases. The details of payments not made are as follows:

Particulars	March 31, 2015		March 31, 2014	
	Amount	Period of delay	Amount	Period of delay
Principal on Indian rupee term loan from financial institutions (secured)	124,193,548	Upto 59 days	-	-
Interest/penal interest on Indian rupee term loan from financial institutions (secured)	183,868,630	Upto 59 days	148,715,624	Upto 59 days

9 Short term provisions

	March 31, 2015	March 31, 2014
Provision for tax (net)	236,817,604	171,146,735
	236,817,604	171,146,735

10 Non-current investments

	March 31, 2015	March 31, 2014
Trade investments (at cost)		
Unquoted equity instruments		
Investment in Subsidiaries		
249,999,900 (March 31, 2014: 249,999,900) equity shares of Rs. 10 each fully paid up in GVK Airport Holdings Private Limited	2,499,999,000	2,499,999,000
10,000 (March 31, 2014: 10,000) equity shares of Rs. 10 each fully paid up in Bangalore Airport & Infrastructure Developers Private Limited	100,000	100,000
165,000 (March 31, 2014: 165,000) equity shares of \$ 1/- each fully paid up in GVK Airports International Pte Limited, Singapore	7,733,550	7,733,550
	2,507,832,550	2,507,832,550
Aggregate amount of unquoted investments	2,507,832,550	2,507,832,550

GVK Airport Developers Limited
(Formerly known as GVK Airport Developers Private Limited)
Notes to financial statements as at and for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

11 Loans and advances	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Loans and advances to related parties Unsecured, considered good (note 19)	32,291,592,397	32,291,294,146	-	-
Advances recoverable in cash or kind Unsecured, considered good	-	-	23,170	463
	32,291,592,397	32,291,294,146	23,170	463
12 Other assets	Non current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good Unamortised portion of ancillary cost of arranging the borrowings	69,504,742	142,345,278	266,634,599	213,465,842
	69,504,742	142,345,278	266,634,599	213,465,842
13 Trade receivables			March 31, 2015	March 31, 2014
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment			-	-
Others			234,308,798	97,560,005
Total			234,308,798	97,560,005
14 Cash and bank balances			March 31, 2015	March 31, 2014
Balances with current accounts			536,876	3,174,295
			536,876	3,174,295

GVK Airport Developers Limited

(Formerly known as GVK Airport Developers Private Limited)

Notes to financial statements as at and for the year ended March 31, 2015

(Amounts expressed in Indian Rupees unless otherwise stated)

15 Revenue from Operations

	March 31, 2015	March 31, 2014
Income from manpower and consultancy services	471,071,880	97,560,005
Total	471,071,880	97,560,005

16 Other Income

	March 31, 2015	March 31, 2014
Interest income	-	210,725,753
Dividend income	-	1,266
Provisions written back	-	219,178
Foreign exchange gain (net)	1,250,643	37,842,772
Total	1,250,643	248,788,969

17 Operating and other expenses

	March 31, 2015	March 31, 2014
Professional fees	191,856,981	32,883,576
Rates & taxes	606,307	284,258
Auditor's remuneration		
- For statutory audit	1,685,400	11,236
- For other matters	1,192,707	-
- For reimbursement of expenses	-	-
Travelling and conveyance	1,949,716	490,349
Miscellaneous expenses	17,466	129,807
Project bidding expenses	1,405,124	-
Business development expenses	1,467,265	-
Balances written off	-	2,560,659
Total	200,180,966	36,359,885

18 Finance costs

	March 31, 2015	March 31, 2014
Interest expense	3,093,533,421	2,690,683,732
Amortisation of ancillary borrowing costs	624,603,811	351,176,389
Bank Charges	89,484	28,292
Total	3,718,226,716	3,041,888,413

1. Corporate information

GVK Airport Developers Limited ('the Company' or 'GVKADL') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in business of development, construction and operation of domestic and international airports.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(c) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

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

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Manpower and consultancy services

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

Interest

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

Dividends

Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

(e) Foreign currency transaction and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing on the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary items on reporting date at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(f) Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer virtually certain that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

(g) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue; bonus element in a rights issue, share split, and reverse share split (consolidation of shares).

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

(h) Provisions

A provision is recognised when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(i) Cash and cash equivalents

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

(j) Contingent liability

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

GVK Airport Developers Limited
 (formerly known as GVK Airport Developers Private Limited)
 Notes to financial statements as at and for the year ended March 31, 2015
 (Amounts expressed in Indian Rupees unless otherwise stated)

19. Related party disclosures

Disclosure as required by Notified Accounting Standard 18 (AS -18) "Related Party Disclosures" are as follows:

Names of the related parties and description of relationship:

A. Related parties where control exists

Holding Company	GVK Power & Infrastructure Limited (GVKPIL)
Subsidiaries	GVK Airport Holdings Private Limited (GVKAHPL) PT. GVK Services, Indonesia Bangalore Airport & Infrastructure Developers Private Limited (BAIADPL) Mumbai International Airport Private Limited GVK Airports International Pte Ltd.

B. Related parties where control does not exist

Fellow Subsidiaries	GVK Jaipur Expressway Private Limited GVK Developmental Projects Private Limited GVK Transportation Private Limited GVK Energy Limited GVK Gautami Power Limited GVK Perambalur SEZ Private Limited
Enterprises over which the key management personnel exercise significant influence	Orbit Travels & Tours Private Limited GVK Technical & Consultancy Services Private Limited Pinakini Share and Stock Broker Limited GVK Projects and Technical Services Limited GVK Employee Welfare Trust GVK Bio Sciences Private Limited Paigah House Hotels Private Limited
Key Management Personnel (KMP)	Mr. G.V. Krishna Reddy Mr. G.V. Sanjay Reddy

GVK Airport Developers Limited
(formerly known as GVK Airport Developers Private Limited)
Notes to financial statements for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

19. Related party transactions

Particulars	PT. GVK Services, Indonesia	GVK Airport Holdings Private Limited	Bangalore Airport & Infrastructure Developers Private Limited	GVK Airports International Pte Limited	GVK Jaipur Expressway Private Limited	GVK Power & Infrastructure Limited*	GVK Transportation Private Limited	GVK Developmental Projects Private Limited
<u>Transactions during the year</u>								
Services provided	471,071,880	-	-	-	-	-	-	-
	(97,560,005)	-	-	-	-	-	-	-
Services availed/reimbursable expenses	-	-	-	-	-	-	-	-
Advances/loan received during the year	-	-	-	-	-	4,094,288,258	-	-
	-	-	-	-	-	(495,526,402)	(109,512,700)	-
Advances/loan/share application money repaid during the year	-	-	-	-	-	1,650,432,233	109,512,700	252,692,000
	-	-	-	-	-	(1,045,500,000)	-	(570,397,162)
Advances given during the year	-	9,772,522	22,000	-	-	-	-	-
	-	-	(275,000)	(2,580,542)	-	-	-	-
Advances recovered during the year	-	-	-	10,671,669	-	-	-	-
	(35,143,834)	-	-	-	-	-	-	-
Preference shares allotted during the year	-	-	-	-	9,408,000,000	592,000,000	-	-
	-	-	-	-	-	-	-	-
Equity shares allotted during the year	-	-	-	-	-	200,000,000	-	-
	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<u>Balances outstanding</u>								
Receivables/(Payables) - March 31, 2015	234,308,798	14,098,409,854	17,935,214,010	7,968,534	-	(7,624,049,167)	-	(516,512,009)
Receivables/(Payables) - March 31, 2014	97,560,005	14,088,637,332	17,935,192,010	17,464,804	(9,408,000,000)	(5,180,193,142)	(109,512,700)	(769,204,009)
Corporate guarantees received- March 31, 2015	-	-	-	-	-	4,944,357,760	-	-
Corporate guarantees received- March 31, 2014	-	-	-	-	-	4,097,615,053	-	-

Figures in parenthesis represents numbers for last year except for balance outstanding at year end.

* Refer Note 5 for security given by GVK Power & Infrastructure Limited and other related parties for loans taken by the Company. The advances/loans have been provided to meet the normal business needs of the respective entity.

GVK Airport Developers Limited
(formerly known as GVK Airport Developers Private Limited)
Notes to financial statements as at and for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

20. Contingent liabilities

A tax demand for the assessment year 2012-2013 is Rs 31,960 (March 31, 2014: Rs. Nil)

21. Micro, small and medium enterprises

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31, 2015 and March 31, 2014.

22. Unhedged foreign currency exposure

Particulars	March 31, 2015	March 31, 2014
Trade Receivable	234,308,798	97,560,005
Investment	7,733,550	7,733,550
Loans and Advances	7,968,534	17,464,804

23. Terms of share application money

As at March 31, 2014 the Company had received share application money amounting to Rs. 14,078,000,000 for allotment of preference shares. Of the aforesaid amount, the Company has made allotment of 940,800 preference shares of Rs. 10,000 each in the current period aggregating to Rs. 9,408,000,000 and has refunded share application money of Rs. 3,983,900,000 and is in the process of refunding the balance share application money. As the Company is in the process of refunding the balance share application money, it has not taken steps to increase the authorized preference share capital and has also disclosed the same under other current liabilities. Share application money does not carry any interest.

24. Segment information

In accordance with Accounting Standard 17 - Segment Reporting, segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these financial statements.

25. Expenditure in foreign currency

Particulars	March 31, 2015	March 31, 2014
Travelling expenses	1,359,120	-

26. Earnings in foreign currency

Particulars	March 31, 2015	March 31, 2014
Income from manpower and consultancy services	471,071,880	97,560,005

27. On January 17, 2013 and subsequently from time to time, Securities and Exchange Board of India (SEBI) made amendment to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement, pursuant to which listed entities have been prohibited from framing any employee benefit schemes involving acquisition of own securities from secondary market in excess of 10% of total assets of the scheme. The Group had formed GVK Employee Welfare Trust on July 15, 2009 which currently holds 18,083,890 own equity shares which were acquired from secondary market. The Company had advanced Rs. 250,000,000 (disclosed under note 11) to the Trust. SEBI circular requires such Trust to dispose shares within five years from October 28, 2014 or to align the Trust with SEBI (ESOS and ESPS) Guidelines. Management is evaluating options available in the circular and believes that application of this circular will not have any material impact on statement of profit and loss.

GVK Airport Developers Limited
(formerly known as GVK Airport Developers Private Limited)
Notes to financial statements as at and for the year ended March 31, 2015
(Amounts expressed in Indian Rupees unless otherwise stated)

28. As per Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has to appoint a whole time Company Secretary as the paid up share capital is more than Rs. 50,000,000. The Company is in the process of appointment of whole time Company Secretary. The Company based on internal assessment believes that aforesaid noncompliance will not have any material impact on the financial statements.
29. Previous year figures
Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification. Previous year figures were audited by firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No : 101049W
Chartered Accountants

For and on behalf of the board of directors of
GVK Airport Developers Limited

per Vikas Kumar Pansari
Partner
Membership no.: 93649

Dr. G V Krishna Reddy G V Sanjay Reddy
Chairman & Director Director

Place of Signature: Hyderabad
Date: May 14, 2015