



Auditor's Report

To

The Members of GVK TRANSPORTATION PRIVATE LIMITED.

We have audited the attached Balance Sheet of GVK TRANSPORTATION PRIVATE LIMITED, as at 31st March, 2012, its Profit & Loss Account for the year ended on that date annexed thereto, and its cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments, we report that:

- (i) 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.
- (ii) 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.
- (iii) The Balance Sheet and cash flow statement dealt with by this report is in agreement with the Books of Account and comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (iv) On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that, none of the Directors are disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



SARANGA PANI & CO
CHARTERED ACCOUNTANTS



1-1-719, Gandhi Nagar,
Hyderabad - 500 080
Tel: 040-65979525, Cell: 9989991515
E-mail: cacsparni@gmail.com

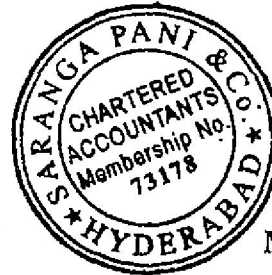
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the Notes annexed therewith give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012
 - (b) in the case of Profit and Loss account, of the loss for the year ended on that date
 - (c) in the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

PLACE: SECUNDERABAD

DATE : 07.05.2012

For SARANGA PANI & CO.,

Chartered Accountant



C. SARANGA PANI

PROPRIETOR

Membership No: 73178



Annexure referred to in paragraph 3 of our report of even date
Re: GVK Transportation Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) In view of the nature of operations carried out by the Company, it has no inventory. Accordingly, the provisions of clause (ii) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) in respect of the inventories are not applicable.
- (iii) (a) The Company has taken loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 23 crores and the year- end balance is also the same..
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) The loans taken are re-payable on demand. As informed, the company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the company . The loan taken carries interest @13%.
- (d) There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) As informed, the Company has not granted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of the clauses (iii) (f) to (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Due to the nature of its business, the Company does not purchase any inventory or sell goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.





(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contract or arrangement exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) 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 services of the Company.

(ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess as applicable..

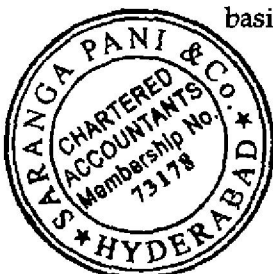
Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(x) The Company has not completed five years from the date of incorporation Accordingly, the provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) 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.





- (xiii) 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) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that short term funds have not been used for long term investments.
- (xviii) 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.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company did not raise any money through a public issue during the year.
- (xxi) 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 SARANGA PANI & CO.

Chartered Accountants

C.SARANGA PANI

PROPRIETOR

Membership No: 73178

PLACE: SECUNDERABAD

DATE : 07.05.2012



GVK TRANSPORTATION PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

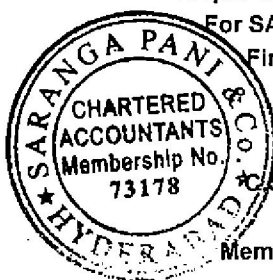
	Notes	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	3	37,50,00,000	1,00,000.00
Share application Money		20,00,701	37,69,00,701.00
Reserves & surplus	4	(7,80,19,738)	(1,11,13,546.00)
		29,89,80,963	36,58,87,155.00
Non-current liabilities			
Long Term Borrowings		-	-
Long-term provisions		-	-
Current Liabilities			
Short-term Borrowings	5	6,16,32,60,861	1,91,43,320.00
Trade Payables	6	11,16,833	-
Other Current Liabilities	7	2,77,85,31,559	5,000.00
Short-term Provisions		-	-
		8,94,29,09,253	1,91,48,320.00
TOTAL :		9,24,18,90,216	38,50,35,475.00
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Net Tangible Assets	8	32,028	38,593.00
Net Intangible Assets		-	-
Non-Current Investments	9	3,07,95,72,047	17,27,80,990.00
Deferred tax asset		844	-
Other Non Current Assets	10	61,05,90,037	18,55,61,762.00
TOTAL Non-Current Assets		3,69,01,94,956	35,83,81,345.00
Current Assets			
Current Investments	11	1,40,09,854	-
Inventories		-	-
Trade Receivables		-	-
Cash & Bank Balances	12	39,32,72,721	47,972.00
Short-term Loans & Advances	13	4,92,89,41,498	89,532.00
Other Current Assets	14	21,54,71,187	2,65,16,626.00
Total Current Assets		5,55,16,95,260	2,66,54,130.00
TOTAL:		9,24,18,90,216	38,50,35,475.00

Notes on Accounts form an integral part of the Accounts

As per our report of even date

For SARANGAPANI & CO

Firm No. 050030S



SARANGA PANI

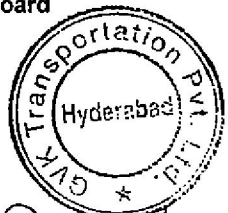
Proprietor

Membership No.73178

Place: Secunderabad

Date :7th May, 2012

For and on Behalf of the Board



Y. Rama Murthy
Director

P. V. Prasanna Reddy
Director

GVK TRANSPORTATION PRIVATE LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2012

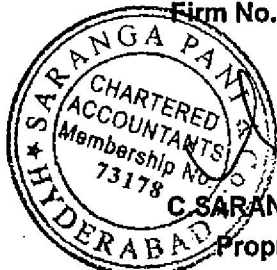
	Notes	31-Mar-12 ₹	31-Mar-11 ₹
INCOME			
Revenue from Project Fees	15	5,89,30,194	-
Other Income		22,59,501	-
TOTAL - I		6,11,89,695	-
EXPENDITURE			
Operating Expenses	16	4,36,76,946	4,25,500
Administrative Expenses	17	1,11,11,931	1,06,83,454
TOTAL - II		5,47,88,877	1,11,08,954
Earnings before Interest, Tax, Depreciation and Amortisation(EBIDTA)(I)-(ii)		64,00,818	(1,11,08,954)
Depreciation and Amortisation Expense	18	6,565	1,907
Finance Cost	19	7,33,01,289	185
Profit /(Loss) before tax expense		(6,69,07,036)	(1,11,11,046)
Current Tax		-	-
Deferred tax	20	844	-
Profit /(Loss) for the year		(6,69,06,192)	(1,11,11,046)

Notes on Accounts form an integral part of the Accounts

As per our report of even date

For SARANGAPANI & CO

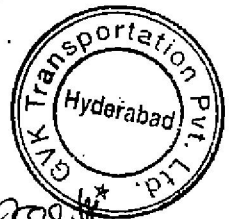
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C. SARANGA PANI
Proprietor

Membership No.73178

For and on Behalf of the Board



Y. RamaMurthy
Director

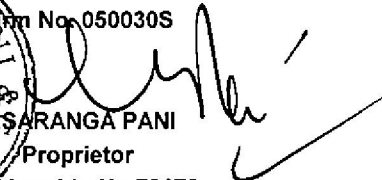
P. V. Prasanna Reddy
Director

Place: Secunderabad

Date :07th May, 2012

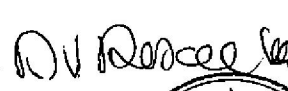
GVK TRANSPORTATION PRIVATE LIMITED
Cash flow statement for the year ended 31st March, 2012

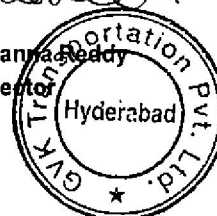
	31-Mar-12 ₹	31-Mar-11 ₹
Profit before Tax	(6,69,07,036)	(1,11,11,046)
Non-cash adjustment to		
Depreciation and amortisation	6,565	1,907
Net gain on sale of current investments	(9,854)	-
preliminary expenses written off	23,037	-
Interest and Finance Expenses		
Interest	5,77,87,277	-
interest income	(22,49,647)	-
Operating Profit before working capital changes	(1,13,49,658)	(1,11,09,139)
Increase / (Decrease) in trade payables	11,16,833	2,500
Increase / (Decrease) in other current liabilities	3,83,99,512	-
Decrease / (Increase) in short-term loans and advances	(5,11,400)	-
Decrease / (Increase) in other current assets	(18,89,77,598)	-
Cash Generated from / (used in) Operations	(16,13,22,311)	(1,11,06,639)
Direct Taxes paid (net of refunds)		
Net cashflow from / (used in) Operating Activities (A)	(16,13,22,311)	(1,11,06,639)
Purchase of Tangible, Intangible Assets and capital WIP	-	(40,500)
Capital Advances	(42,50,28,275)	
Investment in Subsidiary Companies	(16,66,64,010)	(17,27,80,990)
Deposits with Maturity of more than 3 months	(16,00,00,000)	
Purchase of current investments	(1,40,00,000)	
Interest received	22,49,647	
Net cash flow from / (used in) investing activities (B)	(76,34,42,638)	(17,28,21,490)
Cash flow from Financing Activities		
Proceeds from short-term borrowings	5,62,00,00,000	-
Interest paid	(5,77,87,277)	-
advances to subsidiary company	(4,92,83,40,566)	(21,21,44,883)
advances from parent company	52,41,17,541	1,91,43,320
Share application Money	-	37,69,00,701
Net cash flow from / (used in) Financing Activities (C)	1,15,79,89,698	18,38,99,138
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	23,32,24,749	(28,991)
Cash and Cash equivalents at the beginning of the year	47,972	76,963
Cash and Cash Equivalents at the end of the Year	23,32,72,721	47,972
Components of cash and cash equivalents	23,32,72,721	47,972
Cash on Hand	-	-
With Banks		
on Current Account	22,57,72,721	47,972
on Deposit Account	75,00,000	-
TOTAL CASH and CASH EQUIVALENTS	23,32,72,721	47,972

As per our report of even date
SARANGAPANI & CO
 Firm No. 050030S

SARANGA PANI
 Proprietor
 Membership No. 73178

For and on Behalf of the Board


Y. Rama Murthy
 Director


P. V. Prasanna Reddy
 Director



Place: Secunderabad
 Date :07th May, 2012

GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

1. CORPORATE INFORMATION

GVK Transportation Private Limited (the company or "GVKTPL") is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a wholly owned subsidiary of GVK Power & Infrastructure Limited (GVKPIL). The Company is incorporated to hold the existing and future transportation assets under Transportation Vertical.

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 with in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(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) Tangible fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided using Straight Line Method at the rates estimated by the Management which coincides with the rates prescribed under Schedule XIV of the Companies Act, 1956.

(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.

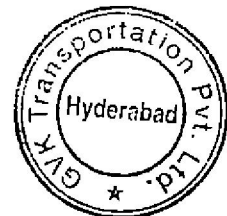
Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(d) Revenue recognition

Revenue is recognized 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 recognized:



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

(i) Income from Services

Project Fees is recognized on accrual basis of rendering the services and consequent right to receive the consideration under the contracts with parties.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iii) Dividends

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

(e) 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.

(f) Preliminary Expenses

Preliminary expenses are written off during year.

(g) Retirement benefits

Provision for gratuity has not been made, as at the reporting date, there is no liability for payment of gratuity under the Payment of Gratuity Act 1972.

(h) Bid expenditure

The main business of the company is to bid and secure road projects mainly from NHAI. The expenditure incurred on the bid is transferred to Concerned SPV on allotment of the contract to the company. The expenditure on unsuccessful bids is charged off.

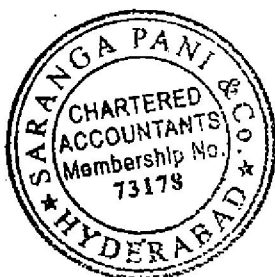
(i) Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the 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 based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, 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 or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

(j) 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 to existing shareholders; 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.

(k) Provisions

A provision is recognized 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.

(l) Contingent liabilities

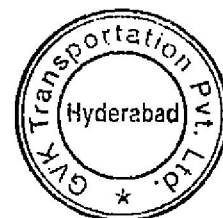
A Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is recognised because it is probable that an outflow 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 recognized because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

(m) Measurement of EBITDA

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



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

3	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
SHARE CAPITAL		
Authorised Capital:		
20,00,00,000(31 march 2011:20,00,00,000) Equity Shares of Rs.10/- Each Issued, Subscribed and Paid-up :	2,00,00,00,000	2,00,00,00,000
3,75,00,000(31 March 2011:10,000) Equity Shares of Rs.10/- each fully paid	37,50,00,000	1,00,000
Total Issued, Subscribed and fully paid-up share capital	37,50,00,000	1,00,000
Share Application Money from GVK PIL	20,00,701.00	37,69,00,701
Total	20,00,701.00	37,69,00,701

(a) Terms/rights attached to equity shares

The company has only one class of equity shares having per value of ₹10 per share. Each holder of equity shares is entitled to one vote 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.

In the event of liquidation of the company, the holders of equity share 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 share held by the shareholders.

(b) Reconciliation of the share outstanding at the beginning and at the end of the reporting period

	As at 31-Mar-12	
	No. of Shares	Amount ₹
At the beginning of the period	10,000	1,00,000
Issued during the period	3,74,90,000	37,49,00,000
Outstanding at the end of the period	3,75,00,000	37,50,00,000

(c) Shares held by Ultimate holding company:

GVK Power & Infrastructure Limited, the holding company

	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
3,75,00,000(31 March 2011:10,000) Equity Shares of Rs.10/- each fully paid	37,50,00,000	1,00,000
Total	37,50,00,000	1,00,000

4 RESERVES & SURPLUS

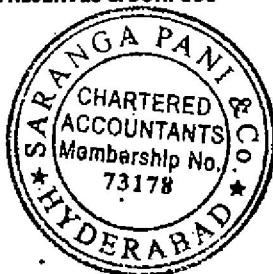
Profit & Loss account

	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
Balance as per Last Financial Statements	(1,11,13,546)	(2,500)
Profit for the Year	(6,69,06,192)	(1,11,11,046)

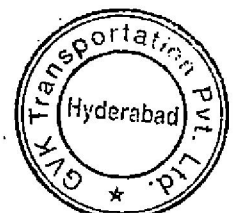
Net Surplus/(deficit) in the statement of Profit & Loss

TOTAL RESERVES & SURPLUS

	(7,80,19,738)	(1,11,13,546)
TOTAL RESERVES & SURPLUS	(7,80,19,738)	(1,11,13,546)



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

5	SHORT TERM BORROWINGS	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
	Yes bank Limited(Secured)	5,39,00,00,000	-
	GVK Gautami Power Limited(Unsecured)	23,00,00,000	-
	Advances from GVK PIL	54,32,60,861	1,91,43,320
	TOTAL	6,16,32,60,861	1,91,43,320

Loan from Yes bank Rs `539 Crores(Out of facility for `560 crores) carries presently interest @ 12% p.a. for a period of 1 year from the date of first disbursement. The loan is secured by (i) charge on loans and advances given by GVK Power & Infrastructure Limited (GVK PIL) to GVK Airport Developers Private Limited ("GVKADPL") and also loans and advances provided by GVKADPL to GVK Airport Holdings Private Limited ("GVK AHPL") and Bangalore Airport & Infrastructure Developer Private Limited ("BAIDPL") (ii) exclusive charge on shares of GVK ADPL however the lender has option to create pari-passu basis of pledge of shares (iii) exclusive charge on shares of GVK AHPL and BAIDPL however the lender has option to create pari-passu basis of pledge of shares (iv) Corporate guarantee of GVK PIL.

Unsecured loan from GVK Gautami Power Ltd carries interest @ 13% p.a and is repayable within 6 months from the date of disbursement ie. 19 th March 2012

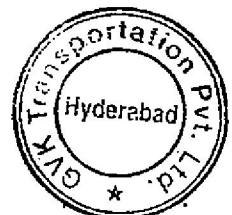
6	TRADE PAYABLES	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
	Outstanding Liabilities for Expenses	11,16,833	-
	TOTAL	11,16,833	-

7	OTHER CURRENT LIABILITIES	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
	Interest accrued but not due on Short term borrowings	3,64,37,260	-
	Amount payable to GVK PIL against acquisition of shares in GVK Jaipur Expressway P Ltd	2,74,01,27,047	-
	Interest accrued but not due on Unsecured Loan	8,82,295	-
	Audit fees	7,500	5,000
	Other liabilities	5,36,541	-
	Creditors for Other Finance:		
	TDS Payable	5,40,916	-
	TOTAL	2,77,85,31,559	5,000

The company has purchased 9,68,10,100 equity Shares of Rs 10/- each of M/s. GVK Jaipur Expressway Pvt Ltd from M/s. GVK Power & Infrastructure Limited for a consideration of Rs 2,74,01,27,047/- is executed on 1-4-2011.



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

8 FIXED ASSETS

	Software	Total
₹		
Cost or valuation		
At 1 April 2010		-
Additions	40,500	40,500
Disposals		-
Other adjustments		
- Exchange differences		-
- Borrowing costs		-
At 31 March 2011	40,500	40,500
Additions		
Disposals		
Other adjustments		
- Exchange differences		
- Borrowing costs		
At 31 March 2012	40,500	40,500
Depreciation		
At 1 April 2010		-
Charge for the year	1,907	1,907
Disposals		-
At 31 March 2011	1,907	1,907
Charge for the year	6,565	6,565
Disposals		
At 31 March 2012	8,472	8,472
Net Block		
At 31 March 2011	38,593	38,593
At 31 March 2012	32,028	32,028

9 NON CURRENT INVESTMENTS

Investment in wholly owned subsidiaries - unquoted / Unlisted

Equity Shares

	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
a GVK Deoli Kota Expressway Pvt. Ltd 32929700(31 march 2011:17273200)Equity shares of Rs 10 each fully paid up	32,92,97,000	17,27,32,000
b GVK Jaipur Expressway Pvt Ltd 96810100(31 march 2011: Nil) Equity shares of Rs 10 each fully paid up	2,74,01,27,047	-
c GVK Bhagodara Vasad Expressway Pvt. Ltd 1004900(31 march 2011:4899)Equity shares of Rs 10 each fully paid up	1,00,49,000	48,990
d GVK Shivapuri Dewas Expressway P Ltd 9900(31 march 2011:Nil)Equity shares of Rs 10 each fully paid up	99,000	-
	3,07,95,72,047	17,27,80,990



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

10 OTHER NON-CURRENT ASSETS	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
Advance towards subscription of Equity Share Capital In subsidiaries		
GVK Deoli Kota Expressway Pvt Ltd	17,06,20,000	18,27,00,000
GVK Bagodara - Vasad Expressway Pvt. Ltd	43,99,70,037	28,61,762
TOTAL	61,05,90,037	18,55,61,762

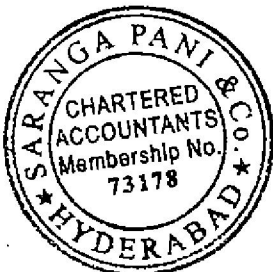
	As at 31-Mar-12	
	No. of Units	Amount ₹
11 Current Investments		
a JM Money Manager Fund Superplus Plan - Growth	3,240	1,00,00,000
b Taurus Ultra Short Term Bond Fund - Growth (Previous Year NIL)	6,67,762	40,09,854
		1,40,09,854

12 CASH and BANK BALANCES	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
12.1 <u>Cash and Cash Equivalents</u> - CURRENT		
In current accounts with Banks	22,57,72,721	47,972
Deposits with original maturity of <3 months as at Reporting Date	75,00,000	
12.2 <u>Other bank balances</u>		
Deposits with original maturity of >3 months but < 12 months as at reporting date	16,00,00,000	-
CASH and BANK BALANCES	39,32,72,721	47,972

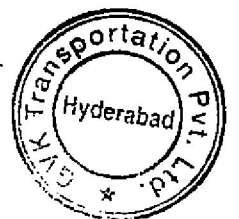
Deposits maturing in > 3 Months from the Reporting date include Rs.16,00,00,000 being DSRA required to be maintained in terms of the Agreement with Yes bank

13 LOANS and ADVANCES	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
Mobilization Advance	5,15,000	3,600
GVK Shivapuri Dewas Expressway P Ltd	4,77,75,41,740	-
GVK Deoli Kota Expressway Pvt Ltd	15,08,84,758	85,932
TOTAL	4,92,89,41,498	89,532

14 OTHER CURRENT ASSETS	As at 31-Mar-12 ₹	As at 31-Mar-11 ₹
TDS receivable	67,24,965	-
Service Tax Input Credit c/f	2,06,15,894	-
Project Bidding Expenses	39,33,747	2,64,93,589
Interest accrued but not Received	12,42,471	-
Upfront Fees c/f	18,29,54,110	-
Preliminary Expenses		23,037
TOTAL	21,54,71,187	2,65,16,626



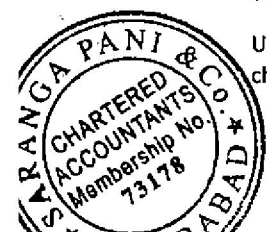
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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

15	INCOME	31-Mar-12 ₹	31-Mar-11 ₹
15.1	<u>Income from Operations</u>		
	Project Services-Net of Service Tax	5,89,30,194	-
	TOTAL	5,89,30,194	-
15.2	<u>Other Income</u>	31-Mar-12 ₹	31-Mar-11 ₹
	Interest earned	22,49,647	-
	Profit on sale of investments	9,854	-
	Total	22,59,501	-
16	OPERATING EXPENSES	31-Mar-12 ₹	31-Mar-11 ₹
	Business Development Expenses		
	Bid Related Expenses	2,68,11,627	4,25,500
	Technical & Traffic Studies	1,68,65,319	-
	TOTAL	4,36,76,946	4,25,500
17	ADMINISTRATIVE EXPENSES	31-Mar-12 ₹	31-Mar-11 ₹
	ManPower deputation Charges	71,40,872	-
	Professional Fee	15,87,159	4,861
	Advertisement	3,01,300	-
	Rates & Taxes	2,38,201	4,201
	Travelling Expenses	15,53,751	67,412
	Printing & Stationery	24,483	3,170
	Payment to Auditors :		
	As Auditors		
	Audit fee	7,500	5,000
	Tax Audit Fee	-	-
	In other capacity		
	Certification fees	21,000	5,000
	Taxation Matters	-	-
	Preliminary Expenses	23,037	-
	Increase In Authorised Share capital	-	1,05,90,000
	Other Miscellaneous expenses	2,14,628	3,810
	TOTAL	1,11,11,931	1,06,83,454
18	DEPRECIATION and AMORTISATION EXPENSES	31-Mar-12 ₹	31-Mar-11 ₹
	Depreciation on Tangible Assets	6,565	1,907
	TOTAL	6,565	1,907
19	FINANCIAL EXPENSES	31-Mar-12 ₹	31-Mar-11 ₹
19.1	<u>On Loans raised for Equity Investments</u>		
	Interest	5,77,87,277	-
	Up-front fee and other Exp on loan from bank	1,47,95,890	-
	TOTAL	7,25,83,167	-

Up-front Fee and the Legal & documentation charges paid to the Lender(Yes Bank) payable per annum on Loan of Rs.539 Cr is charged off proportionately during the year



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GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

19.2 Others

	31-Mar-12 ₹	31-Mar-11 ₹
Commission on Bank Guarantees	6,79,718	-
Other Interest	37,906	-
Bank Charges	498	185
TOTAL	7,18,122	185
TOTAL FINANCIAL EXPENSES	7,33,01,289	185

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	31-Mar-12 ₹	31-Mar-11 ₹
Deferred tax assets		
Deferred tax liability		
Fixed assts: Impact of difference between depreciation	15,828	-
Deferred tax assets		
Preliminary expenses	18,430	-
Net	2,602	-
Net deferred tax asset	844	-

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CONTINGENT LIABILITY

The Company has obtained Bank guarantee from ICICI in favour of NHAI for Shilpuri dewas project amounting to Rs 28.15Cr for fulfilment and compliance with all or any of the terms and conditions contained in the said Bidding documents

Management is of the opinion that the aforesaid project will be able to fulfill and comply with all or any of the terms and conditions contained in the said Bidding documents.

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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. However, there are no dues to micro, small and medium enterprises as on 31 March 2012 (31 March 2011: Nil).

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Capital and other commitments

1. At 31st March 2012, the company has Commitment of Rs 99.60 crores(31 march 2011 : Rs 129.14 crores) relating to further investment in subsidiary, GVK Deoli kota Expressway Pvt Ltd

2. At 31st March 2012, the company has Commitment of Rs 252.26 crores(31 march 2011 : Nil) relating to further investment in subsidiary, GVK Bagodara Vasad Expressway Pvt Ltd

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Related Party Disclosures

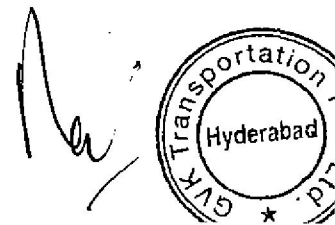
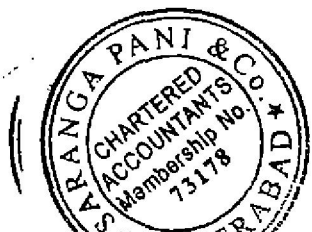
Transactions with Related Parties as specified under Accounting Standard-18 issued by the Institute of Chartered Accountants of India

A. Names of related parties to whom transactions made during the period

Names of related parties	Nature of relationship
GVK Power and Infrastructure Limited	Holding company
GVK Deoli Kota Expressway Private Limited GVK Bagodara Vasad Expressway Private Limited GVK Jaipur Expressway Private Limited GVK Shilpuri Dewas Expressway Private Limited	Subsidiary Company
Gautami Power limited Pinakini share & Stock brokers Ltd. GVK Technical & Consultancy Services Private Limited Mumbai International Airport Limited Orbit Travel and Tours Pvt. Ltd.	Entities over which key management personnel and relatives of ultimate parent company exercise significant influence.

B. Key management personnel

Key Managerial Personnel on the Board	Mr. Y Rama Murty	Director
	Mr. P Venkata Prasanna Reddy	Director
	Dr. P Krishnam Raju	Additional Director



GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

C.Related Party Transactions

The following table provides the total amounts of transactions that have been entered into with related parties for the relevant financial year:

1.Sale and purchase of goods and Services :

	Sale of services	Paid for Services	Amount Owed to related Parties
Subsidiary Company:			
GVK Deoli Kota Expressway Private Limited	2,50,00,000 (NIL)	NIL (NIL)	NIL (NIL)
GVK Bagodara Vasad Expressway Private Limited	4,00,00,000 (NIL)	NIL (NIL)	NIL (NIL)
Enterprises over which the key management personnel exercise significant Influence:			
Pinakini share & Stock brokers Ltd.	NIL (NIL)	3,93,395 (NIL)	2,88,366 (NIL)
GVK Technical & Consultancy Services Private	NIL (NIL)	78,77,325 (NIL)	78,674 (NIL)
Mumbai International Airport Limited	NIL (NIL)	3,06,768 (NIL)	3,06,768 (NIL)
Orbit Travel and Tours Pvt. Ltd.	NIL (NIL)	5,75,476 (NIL)	34,730 (NIL)

2.Advances given and repayment thereof:

	Advances Given	Repayment	Amount Owed by related Parties
Subsidiary Company:			
GVK Shilpuri Dewas Expressway Private Limited	4,77,75,41,740 (NIL)	NIL (NIL)	NIL (NIL)
GVK Deoli Kota Expressway Private Limited	15,08,84,758 (85,932)	NIL (NIL)	NIL (NIL)

3. Advances taken and repayment thereof:

	Advances Taken	Repayment	Amount Owed by related Parties
Holding Company:			
GVK Power and Infrastructure and Limited	3,28,33,87,908	NIL	NIL
Enterprises over which the key management personnel exercise significant influence			
Gautami Power limited	(1,91,43,320) 23,00,00,000 NIL	(NIL) NIL NIL	(NIL) NIL NIL

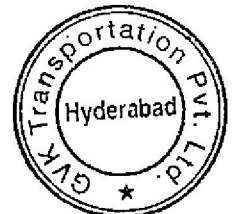
25

PREVIOUS YEAR FIGURES

Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet. The following is a summary of the effects that revised Schedule VI had on presentation of balance sheet of the company for the year ended 31 March 2012:



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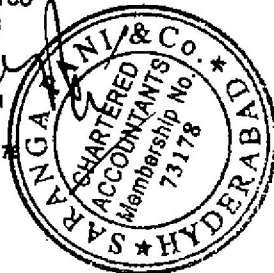
GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2012

Schedule VI [Refer Sl.No.25]

Heading	Pre-Revised ₹	Adjustment ₹	Post Revised ₹	Details
SOURCES OF FUNDS				
Share Capital	1,00,000		1,00,000	
Share Application Money	37,69,00,701		37,69,00,701	
		(1,11,13,546)	(1,11,13,546)	Loss for the year now adjusted to Reserves and Surplus
			36,58,87,155	
		1,91,43,320	1,91,43,320	current liability is now treated as short term borrowings
		5,000	5,000	Current Liabilities
TOTAL	37,70,00,701		38,50,35,475	Total Equity and Liabilities
APPLICATION OF FUNDS				
FIXED ASSETS				
- Gross Block	40,500		40,500	
- Depreciation	1,907		1,907	
NET BLOCK	38,593		38,593	
		17,27,80,990	17,27,80,990	current investment now non current investment
		18,56,47,694	18,56,47,694	current asset is now treated as non current asset
INVESTMENTS	17,27,80,990	(17,27,80,990)		Investments are now treated as non current investment
Current Assets, Loans & Advances				
Cash Balance	-		-	
Bank Balances	47,972		47,972	
Loans & Advances	21,21,44,883	(18,56,47,694)	3,600	
	21,21,92,855		2,65,16,626	Included now in other current assets
Less: Current Liabilities & Provisions				
- Outstanding Liabilities	1,91,48,320	(1,91,48,320)		
NET CURRENT ASSETS	19,30,44,535			
MISCELLANEOUS EXPENDITURE				
Preliminary Expenses to the extent not written off	23,037			
Profit & Loss Account	1,11,13,546	1,11,13,546		
TOTAL	37,70,00,701		38,50,35,475	

As per our report of even date
For SARANGAPANI & CO
Firm No. 050030S

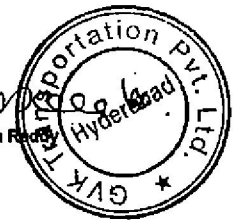
C.SARANGA PANI
Proprietor
Membership No.73178



For and on Behalf of the Board

Y. Ramakrishna
Director

P. V. Prasanna Reddy
Director



Place: Secunderabad
Date :07th May, 2012