



AUDITOR'S REPORT

To the Members of GVK Transportation Private Limited

Report on the Financial Statements

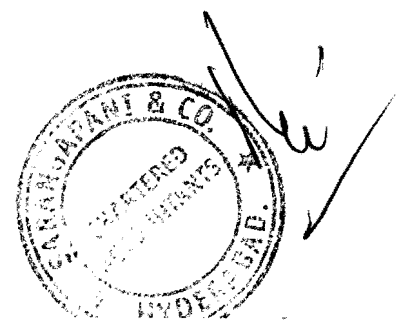
1. We have audited the accompanying financial statements of GVK Transportation Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

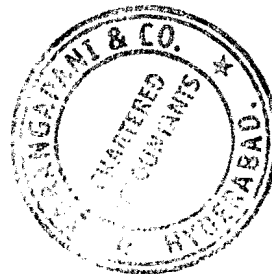
Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- 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;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SARANGA PANI & CO.

FIRM REG. NO: 050030S

Chartered Accountants



C.SARANGA PANI

PROPRIETOR

Membership No: 73178

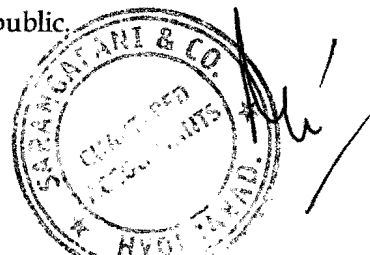
PLACE: HYDERABAD

DATE : 15.05.2014



Annexure referred to in paragraph 7 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) As informed, the Company has neither granted nor taken any loans, secured or unsecured from/to 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) (a) 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.

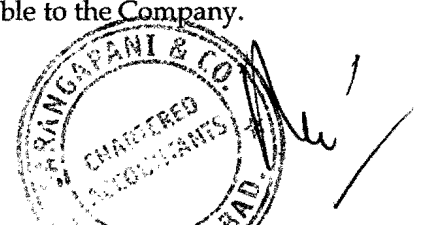




- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the 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 incurred a cash loss of Rs. 88,19,46,558 (Previous Year Rs.84,60,38,371) during the year and has an accumulated loss of Rs 180,60,17,797(Previous Year Rs. 92,40,64,674).
- (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.



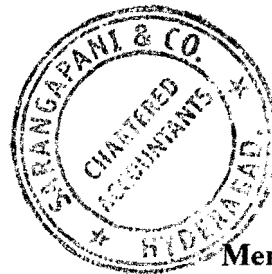


- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans 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.

FIRM REG. NO: 050030S

Chartered Accountants



C.SARANGA PANI

PROPRIETOR

Membership No: 73178

PLACE: HYDERABAD

DATE : 15.05.2014

GVK TRANSPORTATION PRIVATE LIMITED
156-159, PAIGAH HOUSE, SARDAR PATEL ROAD, SECUNDERABAD -500003

Balance sheet as at March 31, 2014

Notes	As at MARCH 31, 2014 Rs.	As at MARCH 31, 2013 Rs.
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	37,50,00,000	37,50,00,000
Share application Money	20,00,701	20,00,701
Reserve & surplus	(1,80,60,17,797)	(92,40,64,674)
Total Shareholders' Funds	(1,42,90,17,096)	(54,70,63,973)
Non-current liabilities		
Long Term Borrowings	-	-
Long-term provisions	-	-
Current Liabilities		
Short-term Borrowings	9,14,57,91,586	7,49,44,26,758
Trade Payables	16,85,511	19,11,270
Other Current Liabilities	2,65,38,00,010	2,66,17,64,485
Short-term Provisions	1,36,00,000	1,36,00,000
Total Current Liabilities	11,81,48,77,107	10,17,17,02,513
TOTAL:	10,38,58,60,011	9,62,46,38,540
ASSETS		
Non-Current Assets		
Fixed Assets		
Net Tangible Assets	18,898	25,463
Net Intangible Assets	-	-
Non-Current Investments	3,11,56,07,047	3,11,56,07,047
Deferred tax asset	-	-
Other Non Current Assets	2,30,80,45,000	1,60,52,55,000
Total Non-Current Assets	5,42,36,70,945	4,72,08,87,510
Current Assets		
Current Investments	-	82,78,692
Inventories	-	-
Trade Receivables	-	-
Cash & Bank Balances	17,29,470	6,30,19,889
Short-term Loans & Advances	4,84,06,29,907	4,81,38,38,000
Other Current Assets	11,98,29,689	1,86,14,449
Total Current Assets	4,96,21,89,066	4,90,37,51,030
TOTAL:	10,38,58,60,011	9,62,46,38,540

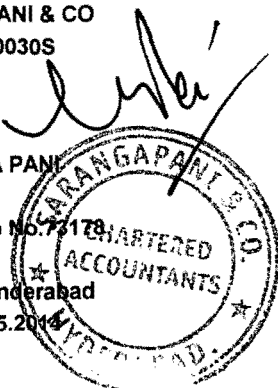
Notes on Accounts form an integral part of the Accounts

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

For and on Behalf of the Board

C.SARANGA PANI
Proprietor
Membership No. 77178

Place: Secunderabad
Date : 15.05.2014



P. V. Prasanna Reddy
Director

Sanjeev Kumar Singh
Director

GVK TRANSPORTATION PRIVATE LIMITED

156-159, PAIGAH HOUSE, SARDAR PATEL ROAD, SECUNDERABAD -500003

Statement of Profit and Loss for the Year ended March 31, 2014

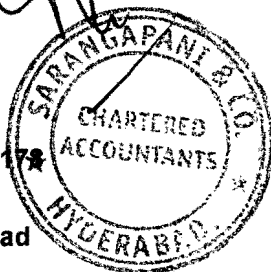
	Notes	MARCH 31, 2014 Rs.	MARCH 31,2013 Rs.
Continuing operations			
INCOME			
Revenue from Project Fees	15	-	7,56,49,699
Other Income		6,11,760	1,93,28,384
Total revenue		<u>6,11,760</u>	<u>9,49,78,083</u>
EXPENDITURE			
Operating Expenses	16	16,31,586	59,00,177
Administrative Expenses	17	27,20,565	2,37,42,754
Depreciation and Amortisation Expense	18	6,565	6,565
Finance Cost	19	87,82,06,167	89,77,72,679
		<u>88,25,64,883</u>	<u>92,74,22,175</u>
Profit /(Loss) before tax expense		<u>(88,19,53,123)</u>	<u>(83,24,44,092)</u>
Current Tax		-	1,36,00,000
Deferred tax		-	844
Profit /(Loss) for the year		<u>(88,19,53,123)</u>	<u>(84,60,44,936)</u>

Notes on Accounts form an integral part of the Accounts

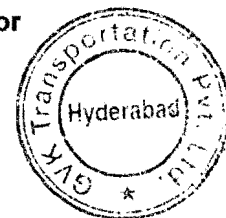
As per our report of even date

SARANGAPANI & CO

Firm No. 050030S

C.SARANGA PANI
Proprietor
Membership No.73178Place: Secunderabad
Date : 15.05.2014

For and on Behalf of the Board

P.V. Prasanna Reddy
DirectorSanjeev Kumar Singh
Director

Cash flow statement for the year ended MARCH 31, 2014

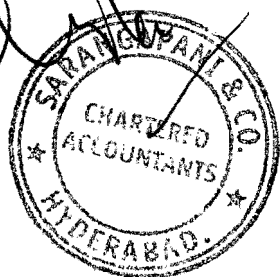
	MARCH 31, 2014	MARCH 31, 2013
	Rs.	Rs.
Profit before Tax	(88,19,53,123)	(83,24,44,092)
Non-cash adjustment to		
Depreciation and amortisation	6,565	6,565
Net gain on sale of Investments	(1,41,231)	(33,33,657)
Finance cost	87,81,83,292	89,73,01,919
interest income	(4,70,529)	(1,59,94,727)
Operating Profit beore working capital changes	(43,75,026)	4,55,36,008
Increase / (Decrease) in trade payables	(2,25,759)	7,94,437
Increase / (Decrease) in other current liabiities	1,83,494	(1,58,23,060)
Decrease / (Increase) in short-term loans and advances	-	5,15,000
Decrease / (Increase) in other current assets	(10,79,37,161)	19,72,12,953
Cash Generated from / (used in) Operations	(11,23,54,452)	22,82,35,338
Direct Taxes paid (net of refunds)	(67,21,921)	-
Net cashflow from / (used in) Operating Activities (A)	(10,56,32,531)	22,82,35,338
Paid against purchase of shares in JEPL	-	(14,20,00,000)
Capital Advances	(70,27,90,000)	(84,37,80,205)
Advances to subsidiary company	(2,67,91,907)	(3,62,96,260)
Investment in Subsidiary Companies	-	(3,60,35,000)
Deposits with Maturity of more than 3 months	-	16,00,00,000
Purchase of current investments	-	(6,46,00,000)
Sale of current investments	84,19,923	7,36,64,819
Interest received	4,70,529	1,56,38,512
Net cash flow from / (used in) investing activities (B)	(72,06,91,455)	(87,34,08,134)
Cash flow from Financing Activities		
Proceeds from short-term borrowings	92,25,89,741	89,34,29,448
Advances from parent company	72,87,75,087	43,68,54,154
Interest paid	(88,63,31,261)	(85,53,63,638)
Net cash flow from /(used in) Financing Activities (C)	76,50,33,567	47,49,19,964
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(6,12,90,419)	(17,02,52,832)
Cash and Cash equivalents at the beginning of the year	6,30,19,889	23,32,72,721
Cash and Cash Equivalents at the end of the Year	17,29,470	6,30,19,889
Components of cash and cash equivalents	17,29,470	6,30,19,889
Cash on Hand	-	-
With Banks		
on Current Account	17,29,470	6,30,19,889
on Deposit Account	-	-
TOTAL CASH and CASH EQUIVALENTS	17,29,470	6,30,19,889

As per our report of even date

SARANGAPANI & CO
Firm No. 050030S

C.SARANGA PANI
Proprietor
Membership No.73178

Place: Secunderabad
Date : 15.5.2014



For and on Behalf of the Board

P. V. Prasanna Reddy
P. V. Prasanna Reddy
Director

Sanjeev Kumar Singh
Sanjeev Kumar Singh
Director

GVK TRANSPORTATION PRIVATE LIMITED
Notes to financial Statements for the year ended 31 March 2014

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 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

(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:

(i) Income from Services

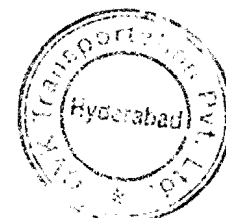
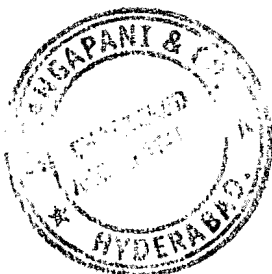
Project Fees is recognized on accrual basis of rendering the services and consequent right to receive the consideration under the contracts with parties.

(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 payment 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) 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 .

(g) Bid expenditure

The main business of the company is to bid and secure road projects mainly from NHA1. 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.

(h) 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.

(i) 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.

(j) Provisions

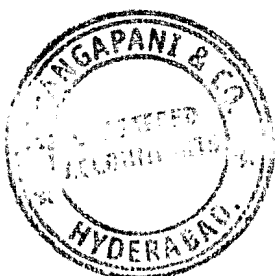
A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted 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.

(k) 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.

(l) Measurement of EBITDA

As permitted by the *Guidance Note on the Revised Schedule VI to the Companies Act, 1956*, the company has elected to present earnings before interest, tax, depreciation and 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.



	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
3 SHARE CAPITAL		
Authorised Capital: 20,00,00,000(31 March 2013:;20,00,00,000) Equity Shares of Rs.10/- Each	2,00,00,00,000	2,00,00,00,000
Issued, Subscribed and Paid-up :		
3,75,00,000(31 March 2013:3,75,00,000) Equity Shares of Rs.10/- each fully paid	37,50,00,000	37,50,00,000
Total Issued, Subscribed and fully paid-up share capital	37,50,00,000	37,50,00,000
Share Application Money	20,00,701	20,00,701
TOTAL	20,00,701	20,00,701

(a) Terms/rights attached to equity shares

The company has only one class of equity shares having par 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-14		As at 31-Mar-13	
	No.of Shares	Amount Rs.	No.of Shares	Amount Rs.
At the beginning of the period	3,75,00,000	37,50,00,000	3,75,00,000	37,50,00,000
Issued during the period	Nil	Nil	Nil	Nil
Outstanding at the end of the period	3,75,00,000	37,50,00,000	3,75,00,000	37,50,00,000

(c) 100% Shares held by Ultimate holding company:

GVK Power & Infrastructure Limited, the holding company

3,75,00,000(31 March 2013:3,75,00,000) Equity Shares of Rs.10/- each fully paid

TOTAL

	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
3,75,00,000(31 March 2013:3,75,00,000) Equity Shares of Rs.10/- each fully paid	37,50,00,000	37,50,00,000
TOTAL	37,50,00,000	37,50,00,000

4 RESERVES & SURPLUS

Profit & Loss account

Balance as per Last Financial Statements

Profit for the Year

(92,40,64,674) (7,80,19,738)
(88,19,53,123) (84,60,44,936)

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

(1,80,60,17,797) (92,40,64,674)

5 SHORT TERM BORROWINGS

Secured Borrowings
Unsecured Borrowings
Advances from GVK PIL
TOTAL

	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
Secured Borrowings	5,57,75,00,000	5,57,75,00,000
Unsecured Borrowings	1,85,94,01,484	93,68,11,743
Advances from GVK PIL	1,70,88,90,102	98,01,15,015
TOTAL	9,14,57,91,586	7,49,44,26,758

Secured borrowings include Loan from Yes bank Ltd.(YBL)Rs 557.75 Crores(Out of facility for `560 crores) carries interest @ 13.75% p.a. till 31st December 2013 and thereafter interest shall be 11.50% p.a. Repayment in 7 years with moratorium of 2 years from the date of first drawdown followed by equal quarterly installments for balance 5 years.The loan is secured by

(i) First Pari Passu 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") such that YBL has a total cover of 1.5x on the facility;

(ii) exclusive charge on proportionate proceeds of Liquidity Event at GVK ADPL, GVK AHPL and BAIDPL(total loan not to exceed INR 25.00 BN)

(iii) First pari passu charge on shares of GVK ADPL along with HDFC and SREI or any other future lender representing atleast 61% of the paid up share capital of the company such that YBL share of pledge does not exceed 30% of the paid up share capital of the company;

(iv) First pari passu charge on shares of GVK AHPL and BAIDPL along with HDFC and SREI or any other future lender representing atleast 61% of the paid up share capital of the company such that YBL share of pledge does not exceed 30% of the paid up share capital of the company;

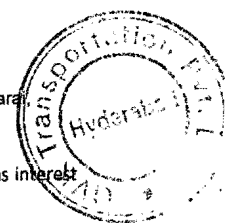
(v) Corporate gaurantee of GVK PIL.

(vi) First Pari Passu Charge on Paigah House located at Hyderabad currently charged to HDFC and SREI;

(vii) First Pari Passu Charge on Himayathsagar property,Hyderabad currently charged to HDFC and SREI;

(viii) Second Pari Passu Charge on Land of 2,685 acres located at Eraiyur and Peraiyur villages in Veppanthattai Taluk, Thirumandaram, Pennakonam North & South Villages in Kunnam Taluk currently second charged to HDFC and Syndicate Bank.

Unsecured borrowings includes Overdraft from banks carries interest rate in range of 10% to 11.5% per annum and loan from others is interest



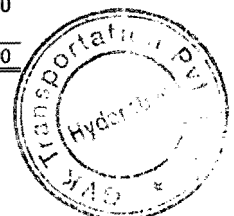
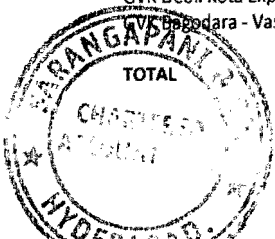
	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
6 TRADE PAYABLES		
Dues to Other than Small and Micro Enterprises	16,85,511	19,11,270
TOTAL	16,85,511	19,11,270

	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
7 OTHER CURRENT LIABILITIES		
Interest accrued but not due on Short term borrowings	5,40,97,956	6,22,45,925
GVK PIL against acquisition of shares in GVK Jaipur Expressway P Ltd	2,59,81,27,047	2,59,81,27,047
Audit fees	23,596	9,000
Service Tax Payable(RC)	-	47
TDS Payable	15,51,411	13,82,466
TOTAL	2,65,38,00,010	2,66,17,64,485

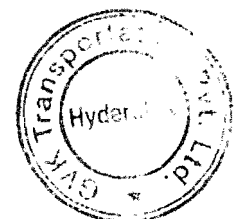
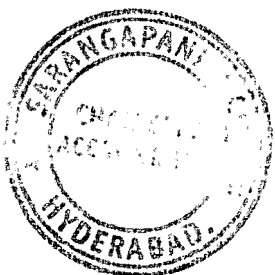
	Software	Rs. Total
8 FIXED ASSETS		
Cost or valuation		
At 1 April 2012	40,500	40,500
Additions		
Disposals		
Other adjustments		
- Exchange differences	-	-
- Borrowing costs	-	-
At 31 March 2013	40,500	40,500
Additions		
Disposals		
Other adjustments		
- Exchange differences		
- Borrowing costs		
At 31 March 2014	40,500	40,500
Depreciation		
At 1 April 2012	8,472	1,907
Charge for the year	6,565	6,565
Disposals		
At 31 March 2013	15,037	8,472
Charge for the year	6,565	6,565
Disposals		
At 31 March 2014	21,602	15,037
Net Block		
At 31 March 2013	25,463	32,028
At 31 March 2014	18,898	25,463

	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
9 NON CURRENT INVESTMENTS		
Investment in wholly owned subsidiaries - unquoted / Unlisted Equity Shares		
a GVK Deoli Kota Expressway Pvt. Ltd 35543200(31 march 2013:35543200)Equity shares of Rs 10 each fully paid up	35,54,32,000	35,54,32,000
b GVK Jaipur Expressway Pvt Ltd 96810100(31 march 2013: 96810100) Equity shares of Rs 10 each fully paid up	2,74,01,27,047	2,74,01,27,047
c GVK Bhagodara Vasad Expressway Pvt. Ltd 1004900(31 march 2013:1004900)Equity shares of Rs 10 each fully paid up	1,00,49,000	1,00,49,000
d GVK Shivapuri Dewas Expressway Pvt. Ltd 999900(31 march 2013:999900)Equity shares of Rs 10 each fully paid up	99,99,000	99,99,000
TOTAL	3,11,56,07,047	3,11,56,07,047

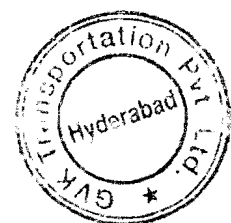
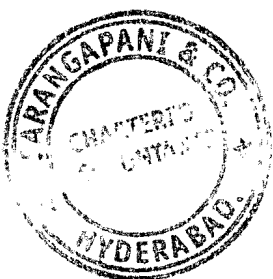
	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.
10 OTHER NON-CURRENT ASSETS		
Subordinated Debt to subsidiaries		
GVK Deoli Kota Expressway Pvt Ltd	1,19,32,84,000	88,07,84,000
GVK Bhagodara - Vasad Expressway Pvt. Ltd	1,11,47,61,000	72,44,71,000
TOTAL	2,30,80,45,000	1,60,52,55,000



11	CURRENT INVESTMENTS	As at 31-Mar-14		As at 31-Mar-13	
		No. of Units	Amount Rs.	No. of Units	Amount Rs.
	a Baroda Pioneer Treasury Advantage Plan A Growth		-	1,510	20,00,000
	b Birla Sunlife Floating Rate Fund-Long Term		-	16,710	22,78,692
	c IDBI Ultra Short Term Fund - growth		-	3,209	40,00,000
	TOTAL		-		82,78,692
12	CASH AND BANK BALANCES	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.		
	In current accounts with Banks	17,29,470	6,30,19,889		
	TOTAL	17,29,470	6,30,19,889		
13	LOANS AND ADVANCES	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.		
	Other advances	4,76,52,90,000	4,76,52,90,000		
	Share application money	4,85,48,000	4,85,48,000		
	Unsecured Loan	2,67,91,907	-		
	TOTAL	4,84,06,29,907	4,81,38,38,000		
14	OTHER CURRENT ASSETS	As at 31-Mar-14 Rs.	As at 31-Mar-13 Rs.		
	TDS receivable	1,01,01,730	1,68,23,651		
	Service Tax Input Credit c/f	2,15,259	69,212		
	Project Bidding Expenses	-	17,21,586		
	Gvk Airport Developers Pvt Ltd.	10,95,12,700			
	TOTAL	11,98,29,689	1,86,14,449		
15	INCOME	31-Mar-14 Rs.	31-Mar-13 Rs.		
15.1	<u>Income from Operations</u>				
	Project Services-Net of Service Tax	-	7,56,49,699		
	TOTAL	-	7,56,49,699		
15.2	<u>Other income</u>	31-Mar-14 RS.	31-Mar-13 RS.		
	Interest earned	4,70,529	1,59,94,727		
	Profit on sale of investments	1,41,231	33,33,657		
	TOTAL	6,11,760	1,93,28,384		



16 OPERATING EXPENSES	31-Mar-14 Rs.	31-Mar-13 Rs.
Business Development Expenses		
Bid Related Expenses	16,31,586	40,63,276
Technical & Traffic Studies	-	18,36,901
TOTAL	16,31,586	59,00,177
17 ADMINISTRATIVE EXPENSES	31-Mar-14 Rs.	31-Mar-13 Rs.
Legal & Professional Fees	18,41,420	2,24,10,121
Rates & Taxes	7,25,544	4,212
Travelling Expenses	11,604	80,589
Printing & Stationery	2,113	68,084
Payment to Auditors :		
As Auditors		
Audit fee	20,000	10,000
In other capacity		
Certification fees	3,924	24,300
Sponsorship Fees	1,12,360	11,31,059
Other Miscellaneous expenses	3,600	14,389
TOTAL	27,20,565	2,37,42,754
18 DEPRECIATION AND AMORTISATION EXPENSES	31-Mar-14 Rs.	31-Mar-13 Rs.
Depreciation on Tangible Assets	6,565	6,565
TOTAL	6,565	6,565
19 FINANCIAL EXPENSES	31-Mar-14 Rs.	31-Mar-13 Rs.
19.1 On Loans raised for Equity Investments		
Interest	87,81,83,292	69,39,79,559
Up-front fee and other Exp on loan from bank	-	20,33,22,360
TOTAL	87,81,83,292	89,73,01,919
19.2 Others	31-Mar-14 Rs.	31-Mar-13 Rs.
Other Interest	10,850	4,70,376
Bank Charges	12,025	384
TOTAL	22,875	4,70,760
TOTAL FINANCIAL EXPENSES	87,82,06,167	89,77,72,679



20 CONTINGENT LAIBILITY

The Company has obtained Bank Gaurantee for Rs.140.75Cr from ICICI in favour of NHAI for its Subsidiary M/s GVK Shivpuri Dewas Expressway Private Limited (GVK SDEPL). GVK SDEPL issued notice of termination of the Concession Agreement to NHAI and filed an application before the Honorable High Court Delhi praying for relief from possible invocation of the performance security by NHAI. The Hon'ble High Court of Delhi referred the matter to the Arbitral Tribunal constituted under the Arbitration and Conciliation Act. The proceedings before the Arbitration Tribunal are in progress and the interim orders of the Hon'ble High Court of Delhi restraining NHAI from invoking the Performance Bank Guarantee is in force as on the date of the Balance Sheet. Management based on its internal assessment / legal advice is confident that the matter will be decided in favour of the Company.

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. However, there are no dues to micro, small and medium enterprises as on 31 March 2014 (31 March 2013: Nil).

22 CAPITAL AND OTHER COMMITMENTS

1. At 31st March 2014, the company has Commitment of Rs 9.81 crores(31 march 2013 : Rs 41.06 crores) relating to further investment in subsidiary, GVK Deoli kota Expressway Pvt Ltd

2. At 31st March 2014, the company has Commitment of Rs 184.77 crores(31 march 2013 : 223.80) relating to further investment in subsidiary, GVK Bagodara Vasad Expressway Pvt Ltd

23 RELATED PARTY DISCLOSURES

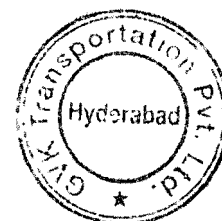
Transactions with Related Parties as specified under Accounting Standard-18 issued by the Institute of Chartered Accountants of India

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	Subsidiary Company
GVK Bagodara Vasad Expressway Private Limited	
GVK Jaipur Expressway Private Limited	
GVK Shivpuri Dewas Expressway Private Limited	
GVK Gautami Power limited	Entities over which key management personnel and relatives of ultimate parent company exercise significant influence.
Ybrant Engineering and Constructions Private Limited	
GVK Technical & Consultancy Services Private Limited	
Pinakini Share & Stock brokers Ltd	
GVK Airport Developers Pvt. Ltd.	
GVK Projects & Tehnical Services Limited	

B. Key management personnel

Key Managerial Personnel on the Board	Mr. Sanjeev Kumar Singh	Additional Director
	Mr. P Venkata Prasanna Reddy	Director
	Dr. P Krishnam Raju	Director



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:

Rs.

Name of the Related party	2013-14			2012-13		
	Nature of transactions	During the year 2013-14	Balance as at 31-03-2014	Nature of Transactions	During the year 2012-13	Balance as at 31-03-2013
GVK Power & Infrastructure Limited	Advances Repaid	72,87,75,087	1,70,88,90,102	Advances taken	43,68,54,154	98,01,15,015
	JEPL acquisition	-	2,59,81,27,047	Repayment for JEPL acquisition	14,20,00,000	2,59,81,27,047
	Share application Money Received	-	20,00,701	-	-	20,00,701
Ybrant Engineering and Constructions Private Limited	Advance Received	30,15,00,000	30,15,00,000	-	-	-
GVK Deoli Kota Expressway Private Limited	Subordinated Debt	31,25,00,000	1,19,32,84,000	Subordinated Debt	58,54,14,242	88,07,84,000
	Shares allotted	-	35,54,32,000	Shares allotted	2,61,35,000	35,54,32,000
	-	-	-	Project Fees	2,50,00,000	-
GVK Bagodara Vasad Expressway Private Limited	Subordinated Debt	39,02,90,000	1,11,47,61,000	Subordinated Debt	28,45,00,963	72,44,71,000
	Shares allotted	-	1,00,49,000	Shares allotted	-	1,00,49,000
	-	-	-	Project Fees	6,00,00,000	-
GVK Shivpuri Dewas Expressway Private Limited	Other advances	-	4,76,52,90,000	Other advances	-	4,76,52,90,000
	Share application money	-	4,85,48,000	Share application money	3,62,96,260	4,85,48,000
	Unsecured Loan	2,67,91,907	2,67,91,907	-	-	-
	Shares allotted	-	99,99,000	Shares allotted	99,00,000	99,99,000
GVK Gautami Power limited	Loan Repaid	23,00,00,000	-	Loan taken	-	23,00,00,000
	Interest on loan	1,55,26,575	15,61,212	Interest on loan	2,53,00,000	2,36,52,295
GVK Technical & Consultancy Services Private Limited	Manpower charges	13,59,303	-	Manpower charges	2,30,86,131	3,65,714
Mumbai International Airport Limited	Reimbursement of expenses	-	3,06,768	Reimbursement of expenses	-	3,06,768
Pinakini Share & Stock brokers Ltd	Services Received	1,68,540	5,52,787	Services Received	4,43,608	3,99,247
TAJ GVK hotels & Resorts Limited	-	-	-	Services Received	1,815	-
Orbit Travel and Tours Pvt. Ltd.	-	-	-	Services Received	11,463	-
GVK Airport Devlopers Pvt. Ltd.	Reimbursement of expenses	10,95,12,700	10,95,12,700	-	-	-
GVK Projects & Technical Services Limited	Loan Repaid	2,00,00,000	2,00,00,000	Loan taken	4,00,00,000	4,00,00,000

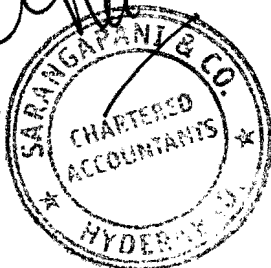
24 PREVIOUS YEAR FIGURES

These financial statements have been prepared under Revised Schedule VI to the Companies Act, 1956. Figures of the previous year have been regrouped / rearranged to conform to those of the current year.

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

C.SARANGA PANI
Proprietor
Membership No.73178

Place: Secunderabad
Date : 15.05.2014



For and on Behalf of the Board

P. V. Prasanna Reddy
Director

Sanjeev Kumar Singh
Director

