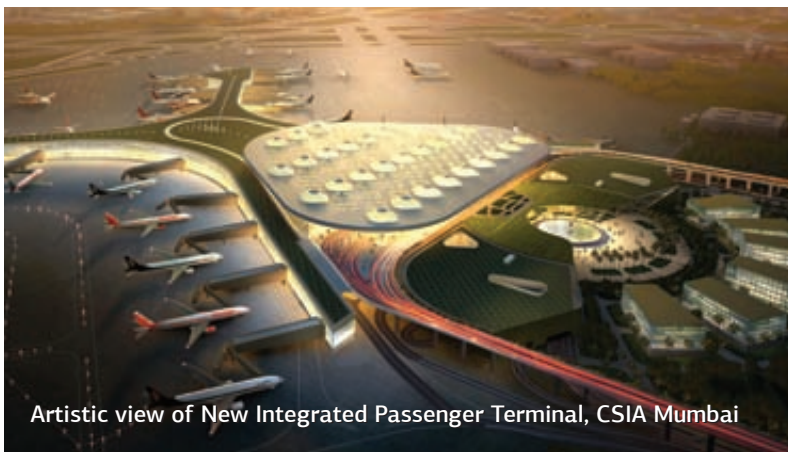




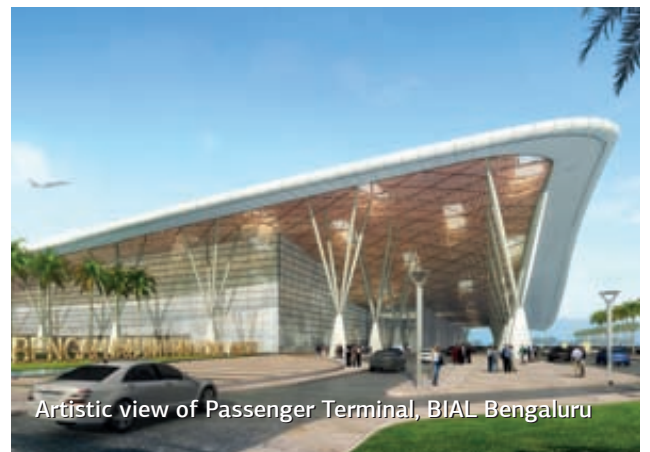
GVK Jegurupadu CCPP



Alaknanda Hydro Project



Artistic view of New Integrated Passenger Terminal, CSIA Mumbai



Artistic view of Passenger Terminal, BIAL Bengaluru



GVK EMRI



GVK Jaipur-Kishangarh Expressway



Resources



GVK Gautami Power Project



Passenger Terminal, BIAL



Resources



GVK Goindwal Sahib Power Project

Corporate Information

Board of Directors

Dr. G V Krishna Reddy	Chairman & Managing Director
G Indira Krishna Reddy	Director
G V Sanjay Reddy	Vice Chairman
Krishna Ram Bhupal	Director
Dr. Abid Hussain	Director
Dr. A Ramakrishna	Director
K N Shenoy	Director
P Abraham	Director
Ranjana Kumar	Director (from 10-11-2011)
Pradip Baijal	Director (upto 10-11-2011)
Ch G Krishna Murthy	Director
S Balasubramanian	Director
A Issac George	Director
P V Rama Seshu	General Manager & Company Secretary

Committees of the Board

Audit Committee

Ch G Krishna Murthy	Chairman
A Ramakrishna	
P Abraham	
S Balasubramanian	

Remuneration Committee

A Ramakrishna	Chairman
K N Shenoy	
P Abraham	

Investors' Grievance Committee

A Ramakrishna	Chairman
Ch G Krishna Murthy	
A Issac George	

Statutory Auditors

M/s. S R Batliboi & Associates
The Oval Office, 18, ILabs Centre
Hitech City, Madhapur
Hyderabad - 500 081

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Plot No.17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081

Registered & Corporate Office

“Paigah House” 156 - 159
Sardar Patel Road
Secunderabad - 500 003

ISIN

INE251H01024

CIN

L74999AP2005PLC059013

Stock Code

BSE:532708

NSE: GVKPIL

Standalone Financials at a glance

(Rs.Lakhs)

	2012	2011
Financial Performance		
Operational Income	2,760	4,148
EBIDTA	1,172	549
Other Income	1,285	8,157
Interest & Financial Charges	2,493	1,495
Depreciation	18	9
Profit After tax	(827)	6,828
EPS (Rupees)		
Basic and Diluted	(0.05)	0.43
Financial Position:		
Fixed Assets (Net of depreciation)	144	159
Cash and Bank balance	1,748	310
Net current assets	40,854	50,680
Total Assets	294,682	263,955
Equity	15,792	15,792
Reserves	236,800	237,627
Networth	252,592	253,419
Market Capitalisation	274,783	409,015

Notice

Notice is hereby given that the 18th Annual General Meeting of the members of GVK Power & Infrastructure Limited will be held on **Wednesday, the August 8, 2012** at 11.30 a.m. at Sri Satya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 to transact the following business:

Ordinary business

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. G Indira Krishna Reddy, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. G V Sanjay Reddy, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ch G Krishna Murthy, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. S R Batliboi & Associates, (Firm Registration No: 101049W) Chartered Accountants, Hyderabad, the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Audit Committee and approved by the Board.

Special business

6. To consider and if thought fit, to pass the following, with or without modification(s) as an ordinary resolution.
"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 read with Article 109 of the Articles of Association of the Company, Mrs. Ranjana Kumar, be and is hereby appointed as Director of the company, whose period of office shall be liable to retire by rotation."

By Order of the Board

Place : Hyderabad
Date : May 9, 2012

P V Rama Seshu
General Manager & Company Secretary

Notes

1. **Every Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company.**
2. Duly filled in Proxy form must be deposited at the Registered Office of the Company before 48 hours of the time fixed for holding the meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.
4. Pursuant to Clause 49 of the Listing Agreement, particulars of Directors seeking appointment / re-appointment at this meeting are annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **04-08-2012** to **08-08-2012** (both days inclusive).
6. Members are requested to:
 - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Auditorium will be strictly on the basis of the entry slip, available at the counters at the venue to be exchanged with the attendance slip.
 - iii) Quote the Folio / Client ID & DP ID Nos. in all their correspondences.
 - iv) Note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.
 - v) Note that no gifts / compliments / coupons will be distributed at the Annual General Meeting.
 - vi) A corporate member shall be deemed to be personally present only if it is represented in accordance with Section 187 of the Companies Act, 1956 i.e. only if the corporate member sends certified true copy of the Board resolution / power of attorney authorizing the representative to attend and vote at the Annual General Meeting.
 - vii) Members are requested to notify immediately changes, if any, in their addresses, in respect of the physical shares held by them, to the Company, and to their Depository Participants (DP) in respect of shares held in the dematerialized form.
7. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Mr. P V Rama Seshu, General Manager & Company Secretary at the Registered Office of the Company at least ten days prior to the date of the meeting, so that the information required can be made available at the meeting.
8. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
9. The Ministry of Corporate Affairs has taken a corporate "Green initiative in the corporate governance" by allowing paperless compliance by companies. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the company will be a valid compliance of Section 53 of the Companies Act, 1956. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail id's for the said purpose. As such the members who have not yet registered their e-mail id's are requested to furnish/register their e-mail id's at **einward.ris@karvy.com** to enable the Company to send all notices, periodical statements etc., of the company through electronic mode.
10. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the company/RTA while transacting in the securities market including transfer, transmission or any other corporate action.

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item 6

The Board of Directors of your Company at its meeting held on November 10, 2011 had appointed Mrs. Ranjana Kumar as an additional director of the company. In terms of the provisions of Section 260 of the Companies Act, 1956 read with Article 109 of the Articles of Association of the company, Mrs. Ranjana Kumar holds the office up to the date of this Annual General Meeting. Your company has received a notice, in writing, under Section 257 of the Companies Act, 1956 along with a requisite deposit, signifying his intention to appoint Mrs. Ranjana Kumar as a Director of the company.

Profile of Mrs. Ranjana Kumar

Mrs. Ranjana Kumar is a Graduate in Arts and a Gold Medalist. After serving the Government of India for 44 years, she retired on 01-12-2009. She spent most of her carrier in the Banking sector and has held various prestigious positions viz., General Manager & CEO Bank of India US Operations based in New York, Executive Director holding Concurrent charge as Chairman & Managing Director (CMD) of Canara Bank, CMD of Indian Bank and Chairman of National Bank of Agriculture & Rural Development.

As a CMD of Indian Bank (weakest Public Sector Bank then), she has the reputation of turning around the same in three years, which is now ranked amongst the top Public Sector Bank in India. Mrs. Ranjana Kumar, is a first woman Chairman of a Public sector Bank in India.

She was also appointed as the Vigilance Commissioner, Central Vigilance Commission, a Constitutional Post. She has given lectures at various forums in India and abroad including IITs, IIMs, Wharton School, Stanford University, World Bank, Asia Society New York. She also authored a book "A New beginning the Turn Around Story of Indian Bank" Foreword by Dr. A P J Abdul Kalam, Former President of India.

None of the Directors, except the incumbent Mrs. Ranjana Kumar is interested or concerned in the above resolution.

By Order of the Board

Place : Hyderabad
Date : May 9, 2012

P V Rama Seshu
General Manager & Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members.

All those shareholders who have not yet registered their email Ids or holding shares in physical form are requested to immediately register their e-mail Ids with NSDL/CDSL and / or our RTA at einward.ris@karvy.com along with your Folio No. and No. of shares / Client Id and DP Id.

Annexure

Brief details of Directors seeking appointment / re-appointment at this Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mrs. G Indira Krishna Reddy	Mr. G.V. Sanjay Reddy
Date of Appointment	20-02-2005	20-02-2005
Date of Birth	17-10-1944	18-11-1964
Qualifications	B.Sc., OPM from Harvard Business School	MBA (Finance), Bachelors Degree in Industrial Engineering from Purdue University, USA
Expertise in specific functional areas	Mrs. G Indira Krishna Reddy is a Director of our Company. She has over 27 years of experience in the fields of finance, hospitality and management. Currently, she is the Managing Director of Taj GVK Hotels & Resorts Limited and the Vice Chairman of Novopan Industries Limited apart from being the Director on the boards of various other companies in the GVK Group.	Mr. G.V. Sanjay Reddy is the Vice – Chairman of the Company. He is also the Managing Director of Mumbai International Airport Private Limited and Bangalore International Airport Limited apart from being the Director on the Board of various other Companies in the GVK Group. He is the Chairman of Confederation of Indian Industry, Southern Region for 2012-13 He was also nominated by World Economic Forum as a Young Global Leader for 2007. He was also the chairman of the CII Young Indians apart from being a member of the Board of Trustees of the Jagdish and Kamla Mittal Museum of Indian Art, a museum dedicated to the cause of propagating Indian Art and Culture.
List of other Companies in which Directorship is held as on 31.03.2012	Alaknanda Hydro Power Company Ltd GVK Energy Ltd GVK Projects & Technical Services Ltd Vertex Projects Ltd Novopan Industries Ltd Pinakini Share & Stock Brokers Ltd Taj GVK Hotels & Resorts Ltd GVK Industries Ltd GVK Gautami Power Ltd Bangalore International Airport Ltd GVK Perambalur SEZ (P) Ltd GVK Developmental Projects (P) Ltd Goriganga Hydro Power (P) Ltd	Bangalore International Airport Ltd GVK Industries Ltd Alaknanda Hydro Power Company Ltd GVK Oil & Gas Ltd GVK Energy Ltd GVK Power (Goindwal Sahib) Ltd Pinakini Share & Stock Brokers Ltd Taj GVK Hotels & Resorts Ltd GVK Gautami Power Ltd GVK Airport Developers (P) Ltd GVK Developmental Projects (P) Ltd GVK Perambalur SEZ (P) Ltd
Chairman / Member of the *Committees of other Companies on which he/ she is a Member as on 31.03.2012	NA	NA

* The Committees include the Audit Committee, the Remuneration Committee and the Shareholder's / Investor Grievance Committee.

Name of the Director	Mr. Ch G Krishna Murthy	Mrs. Ranjana Kumar
Date of Appointment	24-07-2008	10-11-2011
Date of Birth	09-02-1931	10-12-1945
Qualifications	MA, LLB, CA	Graduate in Arts and a Gold Medalist
Expertise in specific functional areas	<p>Ch G Krishna Murthy, is an Independent Director on our Board. He is a Chartered Accountant and holds a Masters degree in Arts and a LLB Degree.</p> <p>He has been a member, Law Commission India and has served on the Income Tax Appellate Tribunal in various capacities including President. He has also been a chairman of the Oil Selection Board, Ministry of Petroleum for the states of Karnataka, Andhra Pradesh and Orissa. He was also a practicing chartered accountant.</p> <p>He was a member of the Governing Council of the International Centre for Alternative Dispute Resolution (ICADR), a member of the General Council of the National Academy of Legal Studies and Research University, a Chairman of the Chinmaya Vidyalaya and a member of the Chinmaya Seva Trust.</p>	<p>Mrs. Ranjana Kumar served the Government of India for 44 years. She spent most of her carrier in the Banking sector and has held various positions viz. General Manger & CEO Bank of India US Operations based in New York, Executive Director holding Concurrent charge as Chairman & Managing Director (CMD) of Canara Bank, CMD of Indian Bank, Chairman of National Bank of Agriculture & Rural Development.</p> <p>As a CMD of Indian Bank (weakest Public Sector Bank then), she has the reputation of turning around the same in three years, which is now ranked amongst the top Public Sector Bank in India. Mrs. Ranjana Kumar, is a first woman Chairman of a Public sector Bank in India.</p> <p>She was also appointed as the Vigilance Commissioner, Central Vigilance Commission, a Constitutional Post. She has given lectures at various forums in India and abroad including IITs, IIMs, Wharton School, Stanford University, World Bank, Asia Society New York. She also authored a book "A New beginning the Turn Around Story of Indian Bank" Foreword by Dr. A P J Abdul Kalam, Former President of India.</p>
List of other Companies in which Directorship is held as on 31.03.2012	Nil	Tata Global Beverages Ltd National Stock Exchange of India Ltd Coromandel International Ltd The Andhra Pradesh Paper Mills Ltd
Chairman / Member of the *Committees of other Companies on which he/she is a Member as on 31.03.2012	NA	Tata Global Beverages Ltd International Asset Reconstruction Company Ltd National Stock Exchange of India Ltd The Andhra Pradesh Paper Mills Ltd

Directors Report

Dear Shareholders,

Your Directors have pleasure in presenting the 18th annual report together with the audited balance sheet and profit and loss account of your Company for the year ended March 31, 2012.

Consolidated Financial results

Being a holding company of different vertical business operations, your company does not have independent operating revenues other than O&M fee, incentives and dividends, if any, from its subsidiaries, interest and other treasury income earned on surplus funds. Following is the summary of consolidated results of the company, its subsidiaries and associates.

(Rs.Lakhs)

Particulars	2011-12	2010-11
Financial Performance		
Operational Income	249,183	191,466
EBIDTA	69,408	51,399
Other Income	8,887	2,853
Interest & Financial Charges	46,727	26,314
Depreciation	24,893	18,364
Provision for taxes	6,782	2,132
Profit before tax and share of profits for associate and minority interest	(107)	7,442
Add: Share of income from Associates	10,639	11,093
Less: Minority Interest	4,386	3,044
Total Profit for the year	6,146	15,491
Add: Balance brought forward from previous years	59,052	43,561
Balance available for appropriation	65,198	59,052
Appropriations		
Transfer to General Reserve	-	-
EPS (Rupees)		
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400
Basic and Diluted	0.39	0.98
Financial Position		
Fixed Assets (Net of Depreciation)	1,670,708	686,810
Cash and Bank balance	172,626	32,820
Net Current Assets	(161,433)	(26,930)
Total Assets	2,289,511	1,071,470
Equity	15,792	15,792
Reserves	332,345	322,886
Net worth	348,137	338,678

Our total income increased by 24.7 % to Rs.2,58,070 Lakhs from Rs.1,943,19 Lakhs in the previous year. The Power assets contributed an income of Rs.1,73,124 Lakhs compared to Rs.1,73,475 Lakhs (67.10 % of total income) in the previous year. The Transportation asset contributed an income of Rs.23,192 Lakhs (8.99% of total income) compared to Rs.19,243 Lakhs in the previous year. Airport assets contributed an income of Rs.59,700 Lakhs (23.15% of total income). The other assets contributed Rs.1,901 Lakhs compared to Rs.1,601 Lakhs in the previous year. Airport assets (Mumbai and Bangalore Airports) as the associates of the company have contributed to net profit of Rs.106,39 Lakhs compared to Rs.11,093 Lakhs in the previous year. The net profit after tax is Rs.6,164 Lakhs as against Rs.15,491 Lakhs in the previous year.

During the current year (from October 18, 2011), Mumbai International Airport Private Limited (MIAL) has become a subsidiary (associate company in the previous year) of your Company by virtue of increase in our equity holding from 37% to 50.50%. Accordingly, these financial statements reflect every line item of the financials of MIAL. However, Bangalore International Airport Limited (BIAL) continues to be an associate of your company during the current year (same as in previous year), even though our equity holding in BIAL was increased from 29% to 43% during the current year (from October 19, 2011).

The net profit after tax, share of profit from associate and minority interest was Rs.61.48 Crores as against Rs.154.92 Crores in the previous year. The fall in net profit is mainly attributable to drop in generation of power due to shortage of fuel (Gas) and an increase in interest cost.

Dividend

The Board of Directors of your company has not recommended any dividend for the financial year 2011-12.

Subsidiaries and Consolidated Financial Statements

Subsidiaries of your Company are predominantly spread across 3 main vertical business operations i.e., Energy, Airport and Transportation. In addition, your Company has other subsidiaries, which are engaged in Oil & Gas and Industrial Park amongst others. As on March 31, 2012 your Company has 7 direct subsidiaries, 15 step down subsidiaries and 2 associate companies. A list of these companies is provided separately as Annexure "A" to this report. There has been no material change in the nature of the business of the subsidiaries.

As required under the Listing Agreement entered into with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act, 1956. These financial statements disclose the assets, liabilities, income, expenses and other details of the company, its subsidiaries and associate companies.

Pursuant to the provision of section 212(8) of the Companies Act, 1956, the Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011 dated: 08-02-2011 has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. As required under the said Circular, the Board of directors of your Company at its meeting held on February 14, 2012 gave its specific consent for not attaching the balance sheets of its subsidiaries, as they would be made available to its members at the company's website.

A statement containing the brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is provided as Annexure "B" to this report. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company Secretary. These documents are available for inspection during business hours at the registered office of the company and also at the registered offices of the respective subsidiary companies.

Developments in the existing assets

i) Energy

During the FY 2010-11, your Company through its subsidiary i.e. GVK Energy Limited had entered into an Investment Agreement with M/s. 3i India Infrastructure Fund, Actis Infrastructure India PCC Limited and an affiliate of the Government of Singapore Investment Corporation (GIC) for a total Private Equity investment of Rs.1,498 Crores for an ultimate equity dilution of 24.97%. Out of this, the second & final tranche of Rs.561.75 Crores was received from the said PE Investors during the current financial year.

ii) Airport

During the year (on 18-10-2011), your company through its step down subsidiary GVK Airport Holdings Private Limited (GVKAHPL), acquired additional 10,80,00,000 equity shares of Rs.10 each (aggregating to 13.50% stake) of Mumbai International Airport Private Limited (MIAL) from Bid Services Division (Mauritius) Limited (BSDM) at a cost of US\$ 231 Million thereby increasing the aggregate total equity holding in MIAL to 50.50% from 37%.

Further, during the year (on 19-10-2011), your company through its step down subsidiary Bangalore Airport & Infrastructure Developers Private Limited, acquired additional 53,844,000 equity shares of Rs.10 each (aggregating to 14% stake) in Bangalore International Airport Limited (BIAL) from Siemens Project Ventures GmbH (Siemens) at a cost of Rs.613.82 Crores making the aggregate total effective stake in BIAL to 43% from 29%.

iii) Transportation

During the year, your Company formed a SPV in the name of Shivpuri Dewas Expressway Private Limited, a subsidiary of GVK Transportation Private Limited, a wholly owned subsidiary of the Company to implement the 332.46 Km Shivpuri Dewas Expressway project. With this, there would be three road projects under development in this vertical business.

Emerging Opportunities

Resources

During the year, your company had participated as an investor for the acquisition of a major coal resource and infrastructure development project in the Galilee Basin, Queensland, Australia. Your Company currently holds 10% in the equity share capital of GVK Coal Developers (Singapore) Pte Limited ("GVKCD") a step down subsidiary of GVK Natural Resources Private Limited ("GVKNRPL") a GVK Group company, with an option to increase its stake upto 49%. The coal resource consists of an estimated 7.9 billion tonnes compliant with Australia's Joint Ore Reserves Committee (JORC) resource categorisation with a 3.3 billion tonnes reserves in Measured + Indicated categories along with a 495 km rail line and a 60 million tonnes per annum port at Abbot Point.

GVKNRPL has entered into a transaction through its subsidiaries, incorporated in Singapore, to acquire:

- a. 79% shareholding in Hancock Coal and Hancock Alpha West Coal Projects, located in the Galilee basin in the State of Queensland, Australia while the balance 21% has been retained by the Seller i.e. Hancock Prospecting Pty Ltd. The JORC study estimates the combined resources at Alpha and Alpha West at 3.6 billion tonnes.
- b. 100% shareholding in Kevin's Corner Coal Project, located adjacent to Alpha Coal Project. The JORC study estimates the resources to be around 4.3 billion tonnes.
- c. 100% shareholding in the proposed rail project connecting the above coal projects to the port of Abbot Point and in the proposed port expansion project to export the coal from the aforesaid coal projects.

The acquisition offers the following benefits to GVKPIL.

- a. good investment opportunity with significant value upside.
- b. option to enter into long term coal purchase contracts up to 20 Million tonnes per annum (to supply around 7,500 megawatts of power generating capacity) for securing long term fuel supplies for its subsidiary GVK Energy Limited.
- c. option to take a lead role in the company that will own Rail and Port projects, on mutually agreed terms with GVKNRPL.

Financial Statements

The audited stand alone and consolidated financial statements of the company along with its subsidiary companies are attached herewith and form part of this annual report. These have been prepared in accordance with the provisions of the Companies Act, 1956, the Listing Agreement, the Accounting Standard (AS-21) on Consolidated Financial Statements and the Accounting Standard (AS-23) on Accounting for Investments in Associates.

Awards and recognitions

Following are some of the awards and recognitions that your Company/its Subsidiaries/Associates received during the current year

- GVK has been awarded the ‘Asia Deal of the year’ and the ‘Asia Outbound Investor of the year’ at the 8th annual Asia Mining Congress held in Singapore on 28-03-2012. GVK was recognized for its acquisition of the Australia based Hancock Coal and Infrastructure projects, which have paved the way for future investments from other corporate investors.
- GVKPIL is ranked among top ten companies on “Carbon Disclosure Leadership Index” in India as per the CDP India 200 Report 2011.
- GVK’s EPC arm GVK Projects & Technical Services has received ISO 9001-2008 accreditation from internationally renowned agency TUV NORD.
- GVK EMRI has bagged the following prestigious awards
 - ◆ The NASSCOM 2012 Innovation Award.
 - ◆ Marico’s Innovation for India Awards 2012 in Public Service category.
 - ◆ Won eINDIA award for enabling IT in Saving Lives.
 - ◆ GVKEMRI Assam received the Runner-Up in 6th National Road Safety Award
- Bangalore International Airport Limited (BIAL) has bagged the following prestigious awards
 - ◆ First Company in India to be certified as a Green Company as per the CII GreenCo rating system
 - ◆ Won the ‘Most Innovative’ Environmental Best Practice Award 2012 in the CII Environmental best practice award event.
 - ◆ Won the Water Award for outstanding work in water management and sustainability at the Bangalore World Water Summit 2012.
- Mumbai International Airport Limited won the STAT TIMES International Award for Excellence in Air Cargo in the Indian region category - Cargo Airport of the year as runners up.

Following are some of the achievements, awards and recognitions that your Promoter Directors received during the year:

- Dr. G V Krishna Reddy, Chairman & Managing Director of your company has been awarded as the ‘CONSTRUCTION WORLD-MAN OF THE YEAR’ by the Construction World magazine.
- Mr. G V Sanjay Reddy, Vice Chairman of your company has been elected as Chairman of Confederation of Indian Industry, Southern Region for 2012-13.

Corporate Governance Report and Management Discussion and Analysis

Your Company continues to practice the best of the Corporate Governance policies. Your Company is in compliance with the recommendations of the Narayana Murthy Committee on Corporate Governance constituted by the Securities and Exchange Board of India (SEBI). A certificate, from a Company Secretary in whole time practice, on compliance with the mandatory recommendations of the committee is provided as an annexure to the Directors’ Report. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a Corporate Governance Report and management Discussion and Analysis are attached to this annual report.

Corporate Social Responsibility (CSR)

- The GVK Group’s social responsibility initiatives are implemented through GVK Foundation, the CSR arm of the GVK Group. The Foundation is involved mainly in the areas of education, health and hygiene; community-based programs; empowerment and entrepreneurship development, arts, music, sports and various social economical and cultural activities. It reaches out with the objective of improving the quality of life of the economically deprived people in the places where the Group has a presence.
- The Foundation has been funding GVK EMRI which was taken over the management of Emergency Management and Research Institute (EMRI), a non-profit organization and is providing integrated emergency response service across the country in 11 States and 2 UT in India under public private partnership mode.

Directors

Appointments by rotation

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company Mrs. G Indira Krishna Reddy, Mr. G V Sanjay Reddy and Mr. Ch G Krishna Murthy, Directors of the company will retire by rotation at this meeting and being eligible, your Board recommends their re- appointment.

The Board of Directors at their meeting held on November 10, 2011 appointed Mrs. Ranjana Kumar as an additional director subject to your approval. Your Board recommends her appointment as an independent director whose period of office shall be liable to retire by rotation.

Cessation

During the year Mr. Pradip Baijal, Director has expressed his inability to continue as a director due to his other commitments. The board of directors at its meeting held on November 10, 2011 has accepted the same and placed on record its appreciation for the services rendered by Mr. Pradip Baijal, during his tenure as director of the company.

Superannuation

Mr. A Issac George, who has been with the Group for over a period of 17 years has attained superannuation on May 9, 2012 as Chief Financial Officer of the Company. He will continue to be on the Board as a Non Independent and Non Executive Director of the Company and is liable to retire by rotation. The Board placed on record its deep appreciation of the services rendered by Mr. Issac George. In recognition of his meritorious services, he is being appointed as a Chief Executive Officer of the Transportation vertical.

Directors' Responsibilities Statement

Pursuant to the requirements specified under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibilities Statement, it is hereby confirmed that;

- i) in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit or loss of the Company for the said period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the directors had prepared the annual accounts for the financial year ended March 31, 2012 on a "going concern" basis.

Auditors

M/s. S R Batliboi & Associates, the Statutory Auditors of the Company will retire at the conclusion of this Annual General Meeting. They have offered themselves for reappointment as statutory auditors and have confirmed that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Notes to Accounts forming part of the financial statements are self explanatory and need no further explanation.

Other Information

The Audit Committee of the Company has reviewed the audited financial statements for the year under review at its meeting held on May 8, 2012 and recommended the same for the approval of the Board of Directors.

Internal Control Systems and their adequacy

The Management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee actively reviews internal audit reports and effectiveness of internal control systems.

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards.

Public Deposits

During the year under review, your company has neither invited nor accepted any fixed deposits from the public.

Particulars of Employees

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employee(s) are set out in the Annexure "C" to this report.

Foreign Exchange Earnings and Outgo

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

Acknowledgements

The Directors of your Company thank the Government of India, various State Governments and their concerned Department / Agencies / Regulatory Authorities for their continued support and cooperation. The Directors also wish to place on record the support extended by various Banks, Financial Institutions and every stakeholder of the Company.

The Directors further wish to appreciate and value the contributions made by every employee of the GVK Family.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 9, 2012

Dr. G V Krishna Reddy
Chairman & Managing Director

Annexure – A

Ultimate Holding / Parent Company

1. GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2012)

1. GVK Energy Limited
2. GVK Airport Developers Private Limited
3. GVK Transportation Private Limited
4. GVK Oil & Gas Limited
5. GVK Perambalur SEZ Private Limited
6. GVK Developmental Projects Private Limited
7. Goriganga Hydro Power Private Limited

Step Down Subsidiaries (As on March 31, 2012)

1. GVK Industries Limited
2. GVK Gautami Power Limited
3. Alaknanda Hydro Power Company Limited
4. GVK Power(Goindwal Sahib) Limited
5. GVK Coal (Tokisud) Company Private Limited
6. GVK Ratle Hydro Electric Private Limited
7. GVK Power (Khadur Sahib) Private Limited
8. GVK Airport Holdings Private Limited
9. Bangalore Airport & Infrastructure Developers Private Limited
10. GVK Deoli Kota Expressway Private Limited
11. GVK Bagodara Vasad Expressway Private Limited
12. GVK Shivpuri Dewas Expressway Private Limited
13. GVK Energy Ventures Private Limited
14. GVK Jaipur Expressway Private Limited
15. Mumbai International Airport Private Limited

Associates (As on March 31, 2012)

1. Bangalore International Airport Limited
2. Seregarha Mines Limited

Annexure – B

State pursuant to approval of the Central Government under section 212(8) of the Companies Act, 1956 about the financial information of the Subsidiary Companies

(Rs.Lakhs)

Name of the Subsidiary	GVK Energy Ltd	GVK Airport Developers Pvt Ltd	GVK Transportation Pvt Ltd	Goriganga Hydro Power Pvt Ltd	GVK Oil & Gas Ltd	GVK Perumbalur SEZ Pvt Ltd	GVK Developmental Projects Pvt Ltd
Issued and Subscribed Share Capital	44,827	25,000	3,750	1	5	1	1
Reserves	133,539	(25,735)	(780)	-	(4)	-	(4)
Total Assets	261,900	395,351	92,419	4,819	16,922	11,656	91
Total Liabilities	261,900	395,351	92,419	4,819	16,922	11,656	91
Investments (except investments in Subsidiaries)	4,410	31	140				
Turnover	6,576	37	612				0
Profit/(Loss) before taxation	5,250	(16,489)	(669)		(4)		0
Provision for taxation	1,711	10	(0)		0		
Profit/(Loss) after taxation	3,539	(16,499)	(669)	-	(4)		0
Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number of shares held by GVKPIL with its nominess in the subsidiaries at the end of the financial year.	250,000,000	250,000,000	37,500,000	10,000	50,000	10,000	10,000
Extent of interest of the holding company	73.94%	100%	100%	100%	100%	100%	100%

Notes:

1. The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide its Circular No.2/2011, dated: 8-2-2011 has granted general exemption to all the Companies for not attaching the Balance sheet, Profit & Loss account etc. of subsidiaries with the Annual Report to the Holding Company, subject to compliance of the conditions specified therein.
2. The Company will make available the annual accounts of the subsidiary companies and related detailed information sought by the members of the company or its subsidiaries. Further, the annual accounts of the subsidiary companies will also be kept for inspection by any member of the company or its subsidiary at the registered office of the company and that of the subsidiary companies concerned.

Annexure – C

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012

Name of the employee	Age	Qualification	Designation	Experience (Years)	% of equity shares held in company	Date of commencement of employment	Remuneration received	Previous Employment
Dr. G V K Reddy	75	BA and Owner / President Management program from Harvard University, Doctorate in Philosophy, JNTU, Hyderabad	Chairman & Managing Director	48	0.50	14-10-2005	Rs.144 lakhs	Executive Chairman GVK Industries Limited
A Issac George	58	B.Com, ACA	Director & Chief Financial Officer	33	Nil	1/10/2005	Rs.173 lakhs	Director (Finance) GVK Industries Ltd

- a) Remuneration received includes salary and other allowances, perquisites etc.
- b) Mrs. G Indira Krishna Reddy, Director, Mr. G V Sanjay Reddy, Vice Chairman and Mr. Krishna Ram Bhupal, Director of the Company are relatives of Dr. G V Krishna Reddy.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 9, 2012

Dr. G V Krishna Reddy
Chairman & Managing Director

Report on Corporate Governance

In compliance with Clause 49 of the Listing Agreement entered into with the stock exchanges, the Company is providing below a report on the matters as mentioned in the said clause and practices followed by the Company.

1. Philosophy of the Company on the code of governance

The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in all interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholder value in terms of maximizing shareholder's benefits, over a sustained period of time.

2. Board of Directors

a) Size and composition of the Board

The policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The total strength of the Board as on March 31, 2012 is 12 (Twelve) Directors comprising of four Promoter Directors, seven Independent Directors and one Non-Independent Director. Among the Directors, Executive Directors and ten are Non-executive Directors as on March 31, 2012. The Board periodically evaluates the need for increasing or decreasing its size. Following is the present composition of our Board and their number of directorships in other companies.

Name of the Director	Category	Director Identification Number	Relationship with other directors	Number of memberships in Board of other Public Limited Companies	+ Associated with other Committees of Public Limited Companies	
					Member	Chairman
Dr. G V Krishna Reddy	Chairman & Managing Director	00005212	All promoter directors are relatives	11	-	-
G Indira Krishna Reddy	NEPD	00005230	All promoter directors are relatives	10	-	-
G V Sanjay Reddy	Vice Chairman NEPD	00005282	All promoter directors are relatives	9	-	-
Krishna Ram Bhupal	NEPD	00005442	All promoter directors are relatives	11	-	-
Abid Hussain	NEID	00612504	None	7	4	-
A Ramakrishna	NEID	00027520	None	11	8	1
K N Shenoy	NEID	00021373	None	4	-	-
P Abraham	NEID	00280426	None	11	3	-
Pradip Baijal *	NEID	01417748	None	-	-	-
Ranjana Kumar **	NEID	02930881	None	4	3	1
Ch G Krishna Murthy	NEID	01667614	None	-	-	-
S Balasubramanian	NEID	02849971	None	5	-	-
A Issac George #	NID	00005456	None	5	2	-

NEPD: Non-Executive Promoter Director

NEID: Non-Executive Independent Director

NID: Non-Independent Director

+ Committee memberships considered are of other companies only and those as required under the Code of Corporate Governance.

* Ceased to be a Director w.e.f. 10-11-2011

** Appointed as Director w.e.f. 10-11-2011

Superannuated as CFO w.e.f. 09-05-2012 and will continue on Board as Non-Executive Non-Independent Director

None of the directors is

i) A board member in more than fifteen public limited companies

ii) A member in more than ten committees; and

iii) Acting as a chairman in more than five committees across all companies in which he is a director.

b) Board Meetings held during the year

The Board of Directors met five times during the year on May 7, 2011, June 19, 2011, August 6, 2011, November 10, 2011 and February 14, 2012. The maximum gap between the two meetings was less than four months.

c) Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2011-2012.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. G V Krishna Reddy	5	5	-	Yes
G Indira Krishna Reddy	5	5	1,00,000	Yes
G V Sanjay Reddy	5	4	80,000	Yes
Krishna Ram Bhupal	5	3	60,000	Yes
A Ramakrishna	5	5	1,00,000	Yes
Abid Hussain	5	3	60,000	Yes
K N Shenoy	5	3	60,000	Yes
P Abraham	5	1	20,000	No
Pradip Bajjal *	5	2	40,000	No
Ch G Krishna Murthy	5	5	1,00,000	Yes
S Balasubramanian	5	3	60,000	Yes
A Issac George	5	5	-	Yes
Ranjana Kumar**	5	1	20,000	NA

*ceased to be a Director w.e.f 10-11-2011

** appointed as an Additional Director w.e.f. 10-11-2011

d) Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

The information regularly supplied to the Board includes:

- Annual operating plans and budgets, capital budgets and updates
- Periodic Financial Statements
- Minutes of meetings of audit, compensation and investor grievance committee of the Company along with board minutes of the subsidiary companies General notices of interest
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important litigations, show cause, demand, prosecution and penalty
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
- Any materially relevant default in financial obligations to and by us
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant development on the human resources front
- Sale of material, nature of investments in subsidiaries and assets, which are not in the normal course of business
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

3. Committees of the Board

a) Code of Conduct

The Board of Directors of the Company has laid a code of conduct for Directors and the senior management. The code of conduct is posted on the Company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by Dr. G V Krishna Reddy, Chairman & Managing Director is annexed to this report.

Details of Directors seeking appointment / re-appointment as required under Clause 49 of the Listing Agreement pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given as an Annexure to the notice.

b) Audit Committee

In terms of Clause 49 of the Listing Agreement, the Audit Committee constituted by the Board consists of only Non-Executive and Independent Directors. The committee had met four times on May 6, 2011, August 6, 2011, November 9, 2011 and February 13, 2012.

In order to ensure the best corporate governance practices across the company, the Board of Directors, at its meeting held on 10th November, 2011, has decided that the position of Chairman of the Audit Committee would be on a rotational basis, once in every three years. Accordingly, the Board appointed Mr. Ch G Krishna Murthy as Chairman of the Audit Committee.

Mr. S Balasubramanian was appointed as a member of the Committee on 10th November, 2011 in place of Mr. K N Shenoy. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
Ch G Krishna Murthy	Chairman	4	4
A Ramakrishna	Member	4	4
P Abraham	Member	4	1
S Balasubramanian*	Member	4	0
K N Shenoy **	Member	4	3

*Appointed as Member w.e.f 10-11-2011 ** Ceased to be a Member w.e.f 10-11-2011

c) The terms of reference as stipulated by the Board to the Audit Committee include:

- a) Review of the Company's financial reporting process and disclosure of its financial information.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and recommending payment for any other services.
- c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
 - i) Changes in accounting policies and practices
 - ii) Major accounting entries involving estimates based on the exercise of judgment by the management
 - iii) Qualifications in the draft audit report
 - iv) Significant adjustments arising out of audit
 - v) The going concern assumption
 - vi) Compliance with accounting standards
 - vii) Compliance with stock exchange and legal requirements concerning financial statements
 - viii) Disclosure of any related party transactions
- d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Discussion with internal auditors of any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

The committee is in compliance with its requirements under this charter.

d) Remuneration Committee

The Remuneration Committee comprises of following three Non-Executive Independent Directors.

- A Ramakrishna - Chairman
- K N Shenoy - Member
- P Abraham - Member

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices. This Committee meets as and when required.

e) Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee comprises of following three Directors and the majority of whom are Non-Executive Independent Directors.

- A Ramakrishna - Chairman
- Ch G Krishna Murthy - Member
- A Issac George - Member

The Shareholders'/Investors' Grievance Committee reviews and redresses all the grievances periodically and meets as and when required.

Details of complaints received / resolved during the financial year 2011-12

Nature of Complaint	Received	Resolved	Pending
Non receipt of Refund Order	0	0	0
For Non receipt of			
- Dividend Warrant	28	28	0
- Annual Report	34	34	0
- Share Certificate	47	47	0
Total	109	109	0

f) Ethics & Compliance Committee

The Ethics & Compliance Committee was constituted pursuant to the amended regulations of SEBI (Insider Trading Regulations), 1992 and comprises of the following Non-Executive Independent Directors.

- Abid Hussain - Chairman
- A Ramakrishna - Member
- K N Shenoy - Member

The Company has a Code of Conduct for Prevention of Insider Trading as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Specified Persons.

4. Whistle-blower policy

We have established a policy for all the employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that during the financial year 2011-12, no employee has been denied access to the audit committee.

Mr. P V Rama Seshu, General Manager & Company Secretary has been designated as the Compliance Officer and also acts as the Secretary to all the above Committees.

5. General Body Meetings

a) Annual General Meetings

Year	Date	Time	Venue
2008-09	28.07.2009	11.30 A.M.	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad - 500 074
2009-10	31.07.2010	11.30 A.M.	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad - 500 074
2010-11	06.08.2011	12.05 P.M.	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad - 500 074

b) Extraordinary General Meeting

During the F.Y 2011-2012 the company had not held any Extraordinary General Meeting.

c) Postal Ballot

During the F.Y 2011-12 the company has not passed any resolutions through Postal Ballot.

6. Disclosures

The Board of Directors receives the requisite disclosures, from time to time, relating to financial and commercial transactions from the key managerial personnel of the Company. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

There have not been any occasion of non-compliance by the Company and therefore, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets since the company was listed on the stock exchanges.

7. Reconciliation of shares capital audit

A Company Secretary in whole time practice carried out a share capital audit to reconcile the total admitted equity share capital with NSDL / CDSL and the total issued and listed equity share capital. The audit report confirms that the total issued / paidup capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL / CDSL.

8. Subsidiary companies

The Audit Committee reviews the consolidated financial statements of the company and the investments made in and by its ultimate subsidiary companies. The minutes of the Board meetings of the subsidiary companies along with significant developments of the subsidiaries are periodically placed before the Board of Directors of the company.

9. Means of Communication

The quarterly and annual financial results of the Company are generally published in National Newspapers i.e. The Economic Times, The Financial Express or Business Standard in English and Andhra Prabha or Surya a regional newspaper in vernacular language.

The results are also displayed in the company's website www.gvk.com. Press release made by the company are also displayed on the company's website. A management discussion and Analysis statement is annexed hereto and forms part of the Annual Report.

10. SEBI Complaints redress System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

11. General Shareholder Information

1. Annual General Meeting
Day, date and time : Wednesday, the August 8, 2012 at 11.30 am
Venue : Sri Satya Sai Nigamagmam, 8-3-987/2
Srinagar Colony, Hyderabad - 500 073
2. Book Closure Dates : 04-08-2012 to 08-08-2012 (both days inclusive)
3. Calendar of events
(tentative and subject to change)
for financial reporting for the period ending
 - Jun 30, 2012 : Aug 8, 2012
 - Sep 30, 2012 : Nov 2012*
 - Dec 31, 2012 : Feb 2013*
 - Mar 31, 2013 : May 2013*
 - AGM for 2012-13 : Aug 2013*(*tentative)
4. Listing of equity shares is at : The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra East, Mumbai - 400 051

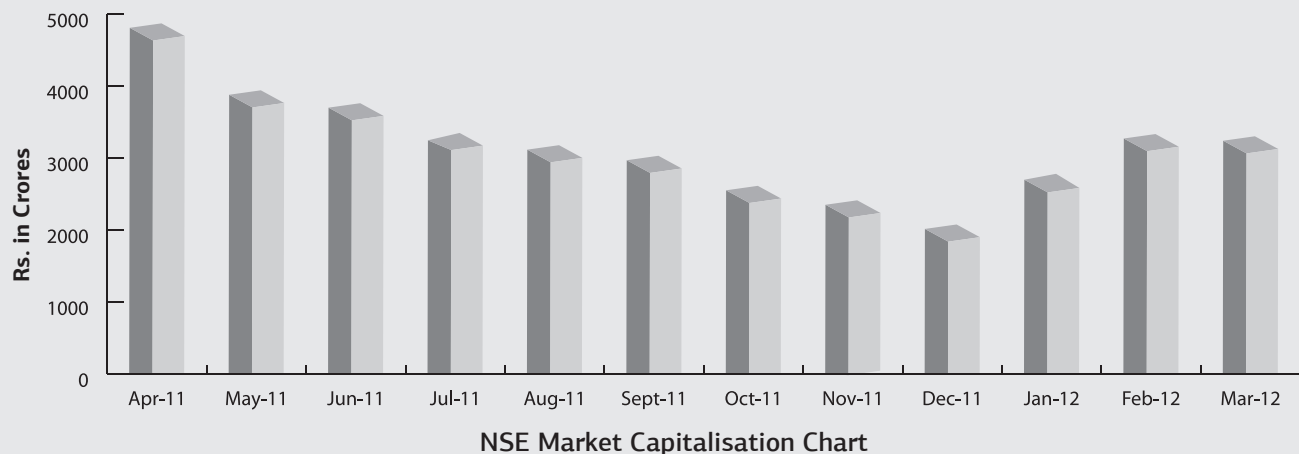
The Bombay Stock Exchange Limited
Floor 25, P J Towers, Dalal Street Fort, Mumbai - 400001
Annual Listing Fee has been paid for the year 2012-13
to both the Exchanges
5. Stock Code : BSE : 532708, NSE: GVKPIL
ISIN : INE251H01024
6. Corporate Identification Number (CIN) : L74999AP2005PLC059013
allotted by the Ministry of Corporate Affairs
7. Share Transfer System : Share transfer requests, which are received in physical form are processed
and the share certificates returned within a period of 15 days in most cases, and
in any case within 30 days, from the date of receipt, subject to the documents
being in order and complete in all respects.
8. Secretarial Audit : Secretarial Audit is being carried out every quarter by a practicing Company
Secretary and his audit report is placed before the Board for its perusal and
filed regularly with the Stock Exchanges within the stipulated time.
9. Location : Registered Office:
'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003
Phone: 040-27902663 / 64, Fax: 040-27902665
Email: cs.gvcpil@gvk.com, Website: www.gvk.com
10. Registrar & Share Transfer Agents : Karvy Computershare Private Limited
Unit: GVK Power & Infrastructure Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
Phone: 040 - 44655168, Fax : 040 - 23420814
E-mail: mailmanager@karvy.com, website: www.karvy.com
11. Query on the Annual Report : P V Rama Seshu,
(Shall reach 10 days before the AGM) General Manager & Company Secretary-Compliance Officer
GVK Power & Infrastructure Limited
156-159, 'Paigah House', Sardar Patel Road, Secunderabad - 500 003
Phone: 040-27902663/64, Fax: 040-27902665

Changes in Share Capital

Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	10	Nil
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	20	Nil
10/09/1996	8	10.00	Cash	Allotment to JOMC Mauritius	100	Nil
18/01/1997	20,990	10.00	Cash	Allotment to JOMC Mauritius	210,000	Nil
18/06/1997	14,000	10.00	Cash	Allotment to Triumph Investments Limited	350,000	Nil
27/08/2005	52,85,000	10.00	Other than Cash	Bonus issue in the ratio 151:1	53,200,000	Nil
14/10/2005	24,76,194	155.41	Cash	Preferential allotment to certain Promoters, Promoter Group Companies and others	77,961,940	360,063,369.54
14/10/2005	75,72,695	155.44	Cash	Preferential allotment to Transoceanic Projects Limited	153,688,890	1,461,436,130.34
21/02/2006	82,75,556	310.00	Cash	Initial Public Offering	236,444,450	3,944,102,930.34
14/05/2007	375,69,230	325.00	Cash	Qualified Institutional Placement (QIP)	612,136,750	15,778,410,380.34
17/10/2007	7,03,25,000	10.00	Other than Cash	Under the Scheme of Amalgamation	1,315,386,750	15,778,410,380.34
24/11/2007	90,46,215	10.00	Other than Cash	Under the Scheme of Arrangement	1,405,848,900*	15,778,410,380.34
09/07/2009	173,361,500	41.25	Cash	Qualified Institutional Placement (QIP)	1,579,210,400	22,756,210,755.34
Total	1,579,210,400					

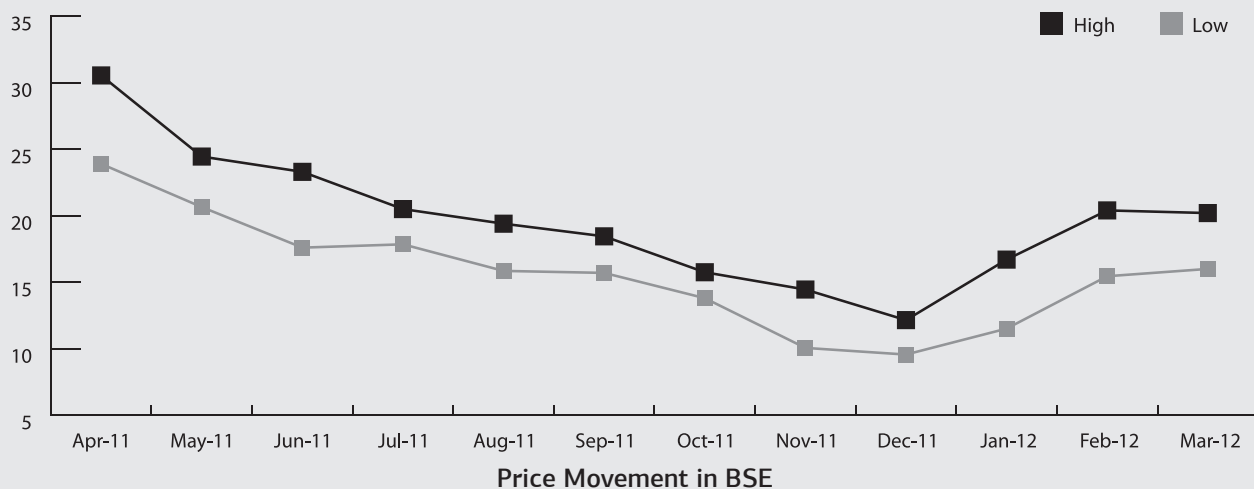
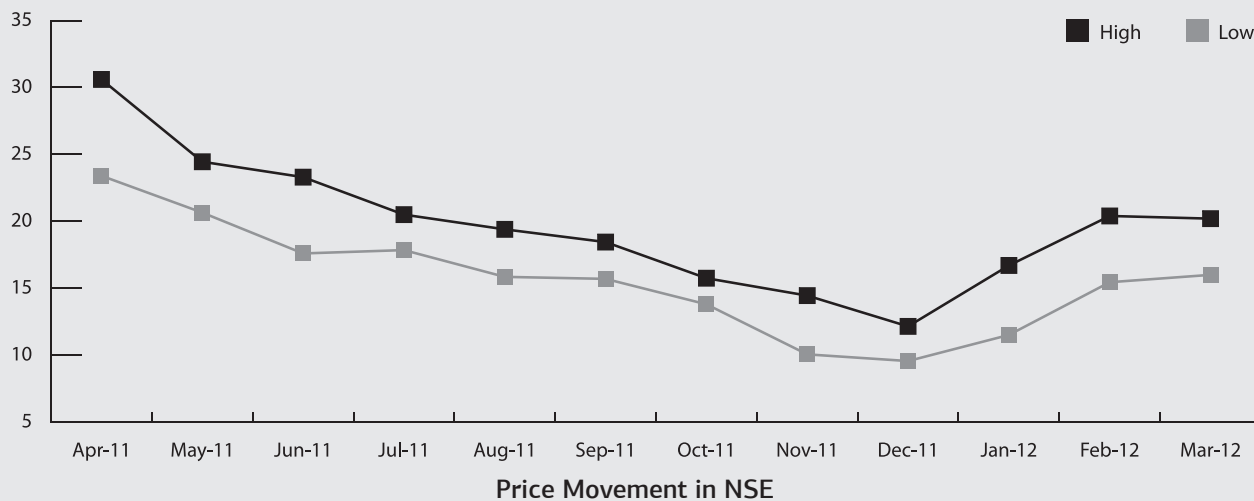
* Effective from 15.02.2008 the face value of the shares have been changed from Rs.10/- per share to Re.1/- per share.

Note: No changes in share capital during the F.Y 2011-12.



Monthly high, low and trading volume of equity shares of the Company during the financial year 2011-12

Month, Year	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)			Total Volume (No)
	High (Rs)	Low (Rs)	Volume (No)	High (Rs)	Low (Rs)	Volume (No)	BSE & NSE
April, 2011	30.60	23.40	214,036,166	30.55	23.90	54,671,190	268,707,356
May	24.45	20.65	153,386,523	24.45	20.65	30,313,390	183,699,913
June	23.30	17.60	166,943,257	23.30	17.60	37,279,389	204,222,646
July	20.50	17.85	102,089,509	20.50	17.85	24,445,718	126,535,227
August	19.40	15.85	173,853,640	19.40	15.85	38,362,714	212,216,354
September	18.45	15.70	186,600,944	18.45	15.70	39,630,139	226,231,083
October	15.75	13.80	144,337,663	15.75	13.80	28,691,229	173,028,892
November	14.45	10.06	232,899,436	14.45	10.06	58,139,321	291,038,757
December	12.15	9.56	213,224,469	12.15	9.56	54,278,159	267,502,628
January, 2012	16.70	11.51	356,919,998	16.70	11.51	80,945,170	437,865,168
February	20.40	15.45	508,409,172	20.40	15.45	95,019,817	603,428,989
March	20.20	16.00	509,115,766	20.20	16.00	95,231,056	604,346,822

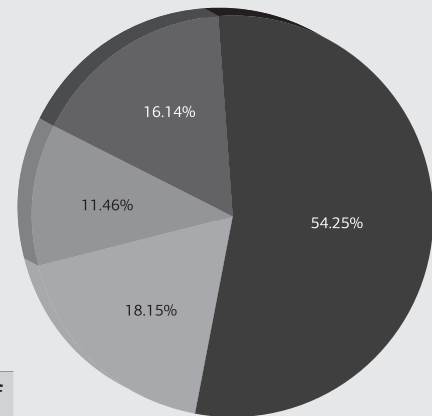


Category of Shareholders as on March 31, 2012

Category	Number of Shareholders	Total Shares	% of holding
Promoter Companies	3	140,632,430	8.91
Promoter Directors	4	519,004,410	32.86
Promoter Individuals	5	197,092,500	12.48
Directors & Relatives	7	85,360	0.01
Foreign Institutional Investors	72	283,975,457	17.98
Resident Individuals	310,982	235,463,180	14.91
Mutual Funds	20	63,091,189	4.00
Bodies Corporate	2,147	72,864,732	4.61
Banks	6	2,831,249	0.18
HUF	4,463	5,862,510	0.37
Insurance Companies	1	8,182,011	0.52
Non Resident Indians	3,856	13,184,217	0.83
Clearing Members	271	9,718,622	0.62
Trusts	16	18,164,682	1.15
Government	1	6,330,000	0.40
Overseas Corporate Bodies	1	375,000	0.02
Foreign Nationals	1	2,000	0.00
Foreign Corporate Bodies	1	2,350,851	0.15
Total	321,857	1,579,210,400	100.00

Distribution by category as on March 31, 2012

Category	Number of Shares	% of holding
Promoters & Promoter Group	856,814,700	54.25
Foreign Institutional Investors, FCB, OCB	428,859,748	18.15
Banks, FIs, Mutual Funds etc	150,008,137	11.46
Others	143,527,815	16.14
Total	1,579,210,400	100.00



Distribution by size as on March 31, 2012

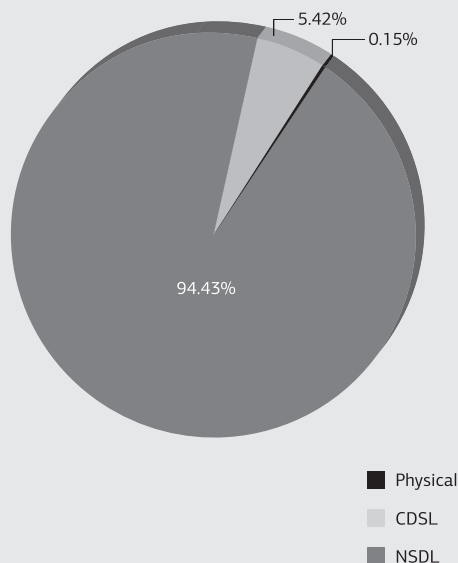
Range of equity shares held	No. of Shareholders	% of Shareholders	No. of equity shares	% of equity shares
1-5,000	314,910	97.84	153,299,973	9.71
5,001-10,000	4,076	1.27	30,471,083	1.93
10,001-20,000	1,561	0.48	22,664,421	1.43
20,001-30,000	429	0.13	10,796,430	0.68
30,001-40,000	182	0.06	6,424,871	0.41
40,001-50,000	143	0.04	6,586,042	0.42
50,001-1,00,000	260	0.08	19,224,027	1.22
1,00,001 & above	296	0.10	1,329,743,553	84.20
Total	321,857	100.00	1,579,210,400	100.00



Dematerialisation of Shares as on March 31, 2012

Category	Shareholders	Number of Shares	%
NSDL	208,333	1,491,262,995	94.43
CDSL	107,571	85,584,748	5.42
Physical	5,953	2,362,657	0.15
Total	321,857	1,579,210,400	100.00

As on March 31, 2012 over 99.85% of outstanding shares are held in demat form and the balance 0.15% in physical form. Trading in equity shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI). Shareholders interested in dematerializing / rematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.



Compliance with Clause 49 of the Listing Agreement

The Company has been in compliance with all the requirements specified under the revised Clause 49.

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under the provisions of sub-clause I(D) (ii) of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2012.

For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : May 9, 2012

Dr. G V Krishna Reddy
Chairman & Managing Director

Managing Director and Chief Financial Officer Certification under clause 49 of the Listing Agreement with the Stock Exchanges

To,
The Board of Directors of
GVK Power & Infrastructure Limited

In relation to the Audited Financial Accounts of the Company as at March 31, 2012, we hereby certify that

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief.
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dr. G V Krishna Reddy
Chairman & Managing Director

Place : Hyderabad
Date : May 9, 2012

A Issac George
Director & CFO

Certificate from a Company Secretary in Whole-time Practice on compliance of conditions of Corporate Governance as per Clause 49 of the Listing Agreement with Stock Exchanges

To,
The Members of
GVK Power & Infrastructure Limited

We have reviewed the compliance of conditions of Corporate Governance by GVK Power & Infrastructure Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad
Date : May 9, 2012

G Narender
Company Secretary
In Whole-time Practice
FCS-4898
CP:5024

Management Discussion and Analysis

1. About the Company

GVK Power & Infrastructure Limited (the Company) is a listed entity and an ultimate holding company of “GVK” which operates in diversified assets through different vertical businesses. The Company operates predominantly present in Energy, Airports, Transportation has presence in others like Oil & Gas, Industrial Park, Urban infrastructures etc. It conducts and operates its business through 7 subsidiaries, 15 step down subsidiaries and 2 associate companies (as on March 31, 2012). Revenues of the company are derived primarily from the O&M fee, incentives for operating the business of subsidiaries / associate and secondarily from the interest income earned out of managing the surplus funds through a better financial planning.

2. The Economy and the Sectoral growth

Managing growth and price stability are the major challenges of macroeconomic policymaking. The Indian economy had grown by 6.9% in 2011-2012, after having grown at the rate of 8.4% in each of the two preceding years. This indicates a slowdown compared not just to the previous two years but 2003 to 2011 (except 2008-2009). With agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to the weakening industrial growth. Monetary policy was tightened by the RBI during the year to control inflation and curb inflationary expectations. There are signs from some high frequency indicators that the weakness in economic activity has bottomed out and a gradual upswing is imminent.

The Eleventh Five Year plan emphasized the need for removing infrastructure bottlenecks for sustained growth. It therefore proposed an investment of US \$500 billion in infrastructure sectors through a mix of public and private sectors to reduce deficits in identified infrastructure sectors. For the first time the contribution of the private sector in total investment in infrastructure was targeted to exceed 30%. Total investment in infrastructure during the Eleventh Plan is estimated to increase more than 8% of GDP, which is higher by 2.47% points as compared to the tenth plan. The private sector is expected to be contributing nearly 36% of this investment.

The overall power generation in the country during the financial year 2011-12 was 876.888 Billion Unit (BU) as compared to generation of 811.104 BU during the corresponding previous year, representing a growth rate of 8.11%. Thermal power plants, which contribute 81% of the total generation, reported PLF of 73.32% (down by 1.75% YoY). For the current FY 2011-12, private sector reported generation growth at 20.16%, while central and state sector reported growth of 5.2% YoY and 7.18% YoY respectively.

Availability of domestic natural gas to the power sector is reduced with short supplies from KG –D6 and the gas based power projects are being operated at less than 50% PLFs. With reduced availability of domestic coal & natural gas, there is a growing dependence on coal & natural gas imports. Availability of coal & natural gas continues to be a key challenge in power sector.

Coal will continue to be the main fossil fuel that will drive the power sector for long in India. The Indian power sector is reeling under tremendous pressure due to inadequate supplies by Coal India Limited. The Central Electricity Authority (CEA) has estimated a coal import of 55 Mt. for both import as well as indigenous coal based power utilities for the financial year 2012-13. The gap between the demand and indigenous availability of coal is projected to be in the range of 185 Mt. in minimum to 265 Mt. in maximum by the end of 12th plan (2016-17), which is likely to be bridged by import of coal. The requirement of coal for power utilities for 12th plan period has been estimated on the basis of demand of power forecast by the 17th Electric Power Survey (PES) Report of CEA. The report predicts likely power demand of 1,392 Bn., units in 2016-17 and if coal based thermal power plants share an estimated 70% of this demand, the coal requirement will be around 682 Mt, if specific coal consumption remains at 0.7 Kg/unit.

Though, the coal price in dollar terms have fallen by around 20% in the last one year due to sluggish demand in China, the import cost in real terms has not reduced due to the appreciation of dollar. In the short to medium term, the coal prices on FOB base will be sluggish giving some relief to the Indian power sector.

Air traffic in India continues to register significantly higher rates of growth with CAGR of 11.7% in the last ten years. The total aircraft movements increased by 10.8% i.e. from 1393.76 thousand movements in FY11 to 1544.65 thousand movements during FY12. The international aircraft movements during FY12 increased by 3.0% while domestic aircraft movements showed

an increase of 13.0% over previous year. The total passenger traffic handled during FY12 increased to 162.30 million from 143.43 million in FY11 registering an increase of 13.2%. The international passenger traffic during FY12 increased by 7.6% while domestic passenger traffic grew by 15.1% over FY11. The total freight traffic decreased to 2.28 MMT from 2.35 MMT, showing a decline of 2.9% during FY12 over FY11. The international freight traffic during the FY12 declined by 1.9% while domestic freight traffic reduced by 4.8% over FY11.

India has an extensive road network of 4.24 million km, out of which the National Highways have a total length of 70,934 km and serve as the arterial road network of the country. However, only about 25% of national highways are presently four laned. It is estimated that more than 70 per cent of freight and 85 per cent of passenger traffic in the country is being handled by roads.

Till date, out of the total length of 54,454 kms of National Highways being developed under various phases of the National Highways Development Project (NHDP), work for 32.6% of highways is complete. For 26.2% of highways work is under progress whereas the balance projects are still to be awarded by NHAI. In FY 2011-12, Ministry of Road Transport and Highways (MoRTH) and National Highways Authority of India (NHAI) have together awarded 62 projects covering 7,957 kms, 54% higher than the preceding year 2010-11. Finance Minister had announced a target for award of 8800 km in his budget speech for FY 2012-13.

Many SEZ projects announced across the country have not been progressing smoothly mainly on account of problems associated with acquisition of land, recent recessionary trends in the real estate and falling export volumes. Consequently, the prospects of SEZs crimped and companies have put their SEZ projects on the back burner during the year. As of now, GVKPIL acquired requisite land for SEZ proposal and is yet to take it forward in terms of project development considering the unsuitable economic climate.

3. Assets under Operation

i) Energy

GVK Gautami Power Limited

During the year Gautami was operated at a Plant Availability Factor (PAF) and Plant Load Factor (PLF) of 73.13% and 71.69% (PY 88.64% and 83.39%). The company reported a profit after tax of Rs.7.86 crores for the financial year 2011-2012 (PY Rs.76.57 crores).

GVK Industries Limited

During the year Jegurupadu Phase I was operated at a Plant Availability Factor (PAF) and Plant Load Factor (PLF) of 98.53% and 78.40% (PY 95.94% and 76.62%). The unit reported a profit of Rs.11.64 crores for the financial year 2011-2012 (PY Rs.23.03 crores). Increase in the supply of Gas from GAIL improved the PLF.

During the year Jegurupadu Phase II was operated at a PAF and PLF of 71.53% and 70.59% (PY 89.17% and 81.75%). The unit reported a profit after tax of Rs.20.74 crores for the financial year 2010-2011 (PY Rs.29.03 crores). The decline in PAF, PLF and profits are mainly due to non availability of gas from Reliance.

ii) Airports

Mumbai International Airport Pvt Ltd. (MIAL)

During the year MIAL handled 30.75 Mio (PY 29.04 mio) passenger traffic, handled 251512 ATMs (PY 242,659 ATMs) and 389800 MT (PY 340,260 MT) of Cargo reflecting a growth of 5.76%, 3.65% and 8.31% respectively. The company reported a profit after tax of Rs.183.76 crores for the financial year 2011-2012 (PY Rs.197.03 crores).

Bangalore International Airport Ltd. (BIAL)

During the year BIAL handled 12.71 Mio (PY 11.63 mio) passenger traffic, handled 119,033 ATMs (PY 111,787 ATMs) and 224,994 MT (PY 222,783 MT) of Cargo reflecting a growth of 9.30%, 6.5% and 1% respectively. The company reported a profit after tax of Rs.160.76 crores for the financial year 2011-2012 (PY Rs.132.10 crores).

iii) Transportation

GVK Jaipur Expressway Pvt Ltd.

During the year toll collections recorded were Rs.223.94 crores (PY Rs.189.16 crores) with an increase of 18%. The company reported a profit after tax of Rs.78.63 crores for the financial year 2011-2012 (PY Rs.80.02 crores).

4. Assets Under Development

i) Energy

Alaknanda Hydro Power Company Limited

The 330MW Alaknanda Hydro Electric Power Project on the river Alaknanda, Srinagar, Uttarakhand is being implemented with an estimated project cost of Rs.4,192 crores. Nearly 90% of the civil works are completed involving 10 million Cum. Of Earth Works and 1.7 million Cum of Concrete Works. The Installation of turbines and generators are in progress for all the four units. All the other works are being executed as scheduled.

GVK Power (Goindwal Sahib) Limited

The 540MW the thermal (coal based) power project in Tarn Taran district, Punjab is being set up at an estimated cost of Rs.3,200 crores. The Chimney shell, Mill foundations, TG deck BFP foundation and Drum Lifting works completed. TG erection, Boilererection and major systems erection is in progress the project is expected to be commissioned by 2013.

GVK Ratle Hydro Electric Project Private Limited

The SPV is formed to implement 690 MW Ratle Hydro Electric Project on the river Chenab, Kishtwar District, in the State of Jammu & Kashmir and necessary Power Purchase Agreement is executed with Power Development Department (PDD), Government of Jammu & Kashmir (GOJK). Power Grid Corporation of India Limited (PGCIL) had approved the proposal for erection of 400kV double circuit line from Dulhasti HEP to Kishanpur. The project installed capacity has been increased to 850 MW as per the Hydrology approved by the Central Electricity Authority. The cost of the project is estimated around Rs.6,300 Crores and is expected to be operational by December, 2017.

Goriganga Hydro Power Private Limited

The 370MW run of the river Hydel Project on the river Goriganga in Uttarakhand is being implemented through two projects i.e. 146 MW Bogudiyar Sirkari Bhyol Project and 200 MW Mapang - Bogudiyar. Detailed Project Report is prepared and submitted to Central Electricity Authority (CEA) for its approval (during the year 2010) for the 146 MW Bogudiyar – Sirkari Bhyol project. The DPR is cleared by CEA (except cost chapter which is being revised as per the changes proposed by the CEA). Hydrological studies and Geological investigations are completed for the 200 MW (likely to be increased to 240 MW) Mapang Bogudiyar project and submitted to CEA. Approach roads to project site are being formed.

GVK Power (Khadur Sahib) Private Limited

Incorporated on April 12, 2011 as a subsidiary of GVK Energy Limited to execute 2 x 660 MW capacity coal based thermal power project with super critical technology, proposed to be developed in the additional land at the existing Goindwal Sahib site in Tarn Taran District, Punjab. AAI clearance for 275 Mtrs high multi flue chimney is obtained on 22-09-2011 and it is valid for 5 years.

GVK Coal (Tokisud) Company Private Limited

This company is incorporated mainly to support the fuel requirements of GVK's Goindwal Sahib Project. The tokisud block has 52 million tones of mineral reserves. MoEF has accorded Stage-II Forest Clearance. Acquired 452 acres of land, out of the requirement of 480 acres. The company has made an application for balance land with District Land Acquisition Officer, Hazaribagh to acquire under Land Acquisition Act, 1894.

Seregarha Mines Limited

The company was incorporated as a SPV to support the fuel requirements of Goindwal Sahib project. Tokisud and saregarha coal mines together have an estimated coal reserves of 119 million tones and will cater the fuel requirements of Goindwal Sahib for 25 years in the ratio of 55:45. The prospecting License and Exploration Contract have been executed and the work has commissioned.

ii) Airports

Your Company has signed two MoUs with Indonesian Government during its President's State visit to India in January 2011 to develop green field international airports in North Bali and Yogyakarta (Java), Indonesia. Bali and Java are the prime destinations for tourist traffic from both Europe and Asia. Bali project has not progressed due to land and local issues. Yogyakarta airport is being developed jointly with Angkasa Pura Airports, the government owned airport operating company. Feasibility has been completed and a preliminary approval for proposed site has been granted by the government. Master plan development is currently underway. The signing of the MoU marks a very significant milestone for GVK and your Company is confident that these agreements will yield significant synergies.

iii) Transportation

GVK Deoli Kota Expressway Private Limited

The company was incorporated as a Special Purpose Vehicle to implement and augment the existing Deoli-Kota Section of National Highway (NH) No. 12 from Km 165 to Junction of NH - 76 on Kota Bypass (approximately 83.04 Km) in the State of Rajasthan by four laning on design, build, finance, operate and transfer (DBFOT) basis ("Project"). The Highway works, hume pipe culvert, cleaning & grubbing works are under progress. The project would become operational within 30 months as per the Concession Agreement.

GVK Bagodara Vasad Expressway Private Limited

The Special Purpose Vehicle - GVK Bagodara Vasad Expressway Private Limited was incorporated to implement the Six Laning of existing three lanes of Bagodara - Wataman - Tarapur - Vasad Road Project (State Highway No.8, Km 0/0 to Km 101/9) in the State of Gujarat on BOT Basis. Requisite Concession Agreement has been executed with the Gujarat State Road Development Corporation. Roads & Structures - Cleaning & Grubbing P1 Packages for 53km - 51% completed and P2 Package for 48.9km - 21% completed. The cost of the project estimated Rs.1,200 crores. The project would become operational within 30 months as per the Concession Agreement.

GVK Shivpuri Dewas Expressway Private Limited

The Company has signed a Concession Agreement on 12-01-2012 with National Highways Authority of India (NHAI) for Four Laning of Shivpuri Dewas section of National Highway No 3 (from Km 236.000 to Km 566.450) for a length of 332.46 kms. in the State of Madhya Pradesh to be executed as BOT (Toll) project on DBFOT Pattern under National Highways Development Programme (NHDP) phase IV. The Concession Period for the Project is for 30 years including construction period of 30 months. The main Project Office at Guna established.

iv) Others

GVK Perambalur SEZ Private Limited

GVK has signed a MOU with TIDCO to develop 3184 acre multi product SEZ in Perambalur district, Tamilnadu. The Tamilnadu Water Supply and Drainage Board (TWAD Board) has approved the water supply for 3 MLD from River Vellar and given technical approval for 44 MLD from River Kollidam. Total estimated cost of the project is Rs.750 crores. The total expenditure incurred so far is Rs.116.62 crores, expenditure incurred on land acquisition is Rs.104.10 crores. Water allocation for the SEZ is dropped by the State Government and company requested TIDCO to restore the water allocation.

GVK Oil & Gas Limited

Your company in consortium with BHP Billiton, the largest diversified resource company, has been awarded 7 deepwater blocks under NELP VII. The 2D Over/under seismic data acquisition and processing in NELP VII blocks was completed in Calgary by WesternGeco and Edcon. Complete set of final processed PSDM seismic data of MB & KK blocks was received by the Company.

Future of Public Private Partnership

The development of infrastructure facilities is largely dependent on the ability of the government to attract private capital under the public private partnership (PPP) model. PPPs are the cornerstone for infrastructure development. This model has enabled greater private participation in the creation and maintenance of infrastructure. The pace of PPP projects is slowly picking up and many projects are to be awarded this year. One immediate step taken by the Government is setting up of the India Infrastructure Finance Company Limited to provide long term debts to infrastructure projects. The Government is also giving a fillip to infrastructure by delineating infrastructure as one of the key areas for focus and development in the coming years.

5. Risks and Concerns

Energy

At present, the company has three operational gas based power plants, totalling to approximately 900 MW. Gas is being sourced from ONGC through GAIL for Jegurupadu Phase - I and to the extent that GAIL is not able to supply, the requirement for Jegurupadu Phase I and for the entire requirement of Jegurupadu phase II and Gautami, it is sourced from Reliance Industries Limited (RIL) with whom we have a contract.

There has been a considerable reduction in the natural gas supply to the gas based power plant. The Plant Load Factor for all three power plants for the year ended March 31, 2012, was comparatively low against the previous year.

Your company's initiatives for development and expansion of the Jegurupadu Phase III and Gautami Phase II Projects are hardly hit by the acute shortage in the availability of Gas and your company is reconsidering the proposals for expansion.

The other power plants under development/ construction are Alaknanda Hydro Power Company Limited- 330 MW Hydel Plant, GVK Power (Goindwal Sahib) Limited - 540 MW Thermal Plant, Goriganga Hydro Power Private Limited- 370 MW Hydel Plant. GVK Coal (Tokisud) Company Private Limited, GVK Ratle Hydro Electric Project Private Limited and GVK Power (Khadur Sahib) Private Limited, The coal mines linked to Goindwal sahib thermal plant are under development. Other than Goriganga Hydro Power Plant financial closure has been achieved for the rest.

For the hydel projects any unforeseen adverse weather conditions and un-controllable factors can delay construction and commissioning of the project.

Airports

GVK PIL through its subsidiaries/ associates, is currently operating, managing and developing the Mumbai International Airport and Bangalore International Airport. Revenues at the airports are to some extent relatable to traffic - both passengers and aircraft. Further growth in revenues is also linked to aviation fuel prices, hike in aero charges which are within the ambit of Government. Other factors such as economic growth, weather, and unforeseen events may affect growth and traffic. Likewise, aero revenues and income from real estate may also be impacted by market conditions and regulatory uncertainties.

Transportation

The company's one operational asset GVK Jaipur Expressway Private Limited is doing well and the company has realized growth in traffic and revenues. However, unforeseen events such as strikes and agitations, adverse weather conditions, economic down turns may impact growth and revenues. Likewise, these factors can also affect projects under construction's development.

SEZ

GVKPIL is developing a multi product SEZ in Perambalur, Tamil Nadu. SEZs across the country have not progressed much because of adverse global economic conditions coupled with the factors peculiar to India. Activity at our SEZ is expected to pick up with economic growth and supporting environmental factors.

Developers of Special Economic Zones (SEZs) and units operating in these zones have been brought under the ambit of Minimum Alternate Tax (MAT) which could impact firms in these tax-free enclaves and hurt the development of SEZs.

Oil & Gas

Seven deep water blocks that were awarded under NELP VII are currently undergoing technical analysis which will continue for another year or two. Work in progress may get delayed due to factors such as exercise that may be undertaken by Indian Navy, weather conditions, availability of equipments etc.

6. GVK Power & Infrastructure Limited - Financial Performance Review

Standalone Financials

Revenue

The Company's total income, which comprises of income in the form of operating fees, incentives, fees for technical services to Rs.40.45 crores as compared to Rs.123.06 crores of the previous year.

Expenditure

The Company's total expenditure, comprising of staff costs, and other administrative expenses to Rs.15.88 crores for the year ended March 31, 2012 from Rs.35.99 crores when compared to the previous year ended March 31, 2011.

Interest

Interest expenses stood at Rs.24.93 crores (previous year figure was Rs.14.95 crores)

Profit before tax (PBT)

PBT is Rs.(0.54) crores for the current year as compared Rs.72.02 crores in the previous year.

Profit after tax

The Company's profit after tax is Rs.(8.27) crores for the year ended March 31, 2012 as compared to Rs.68.28 crores as compared to the previous year.

EPS

The earnings per share for the current year stood at Rs.(0) as compared to Rs.0.43 per equity share of Re.1/- each in the previous year.

Consolidated Financials

The current year results include the results of the companies including subsidiaries and step down subsidiaries and associates. The Consolidated Financial Statements have been drawn as per the Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India. These companies operate broadly in a) Power b) Road c) Airport and d) Others.

Revenue

The Company reported gross revenue of Rs.2580.78 crores for 2011-2012 compared to Rs.1943.19 crores in the previous year.

Profit after tax

The Company reported profit after tax and minority interest of Rs.61.46 crores for 2011-2012 as compared to Rs.154.91 crores in the previous year.

Earning Per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs.0.39 as compared to Rs.0.98 per equity share of Re.1/- each in the previous year.

Net Worth

The net worth in the current year stands at Rs.3481.37 crores as compared to Rs.3386.78 crores in the previous year.

7. Clean Development Mechanism

GVKPIL has build inhouse capacity to develop Clean Development Mechanism (CDM) projects and obtain the registration and issuance of the same in the form of Certified Emission Reductions (CERs) from the United Nations Framework Convention Climate Change (UNFCCC).

The validation Report of Alaknanda Hydro Power Company Limited has been approved by UNFCCC. The company is in the process of filing its validation Reports with UNFCCC for two of its other power projects also.

8. Internal Control System and Adequacy

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements.

The internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations. The internal audit reports are placed before the Audit committee for consideration. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

9. Human Resources

Your company's human capital remains its key strength. Several initiatives have been undertaken during the year to increase the depth of management expertise. Highly skilled professionals from reputed institutes as well as specialists with deep industry knowledge and experience have been recruited for various roles across the organization. The company continues to value its personnel in that it designs program and policies tailored to enhance individual and organizational welfare. Participative style of management ensures excellent relations throughout the organization. Your company aims to become to "employer of choice" in the industry and is on course to achieve the stated objective. The total number of employee talent base in corporate office and project sites as on March 31, 2012, stands at 2981 approximately.

10.Future Outlook

We endeavour to contribute meaningfully to infrastructure development in India and seek to aggressively place bids for the upcoming infrastructure projects to be developed under Public Private Partnership mode. The Planning Commission, in its approach paper has projected an investment of over Rs. 45 lakh crore during the Twelfth Plan (2012-17). It is projected that atleast 50 % of this investment will come from the private sector as against the 36% anticipated in the Eleventh Plan. Financing infrastructure will therefore, be a big challenge in the coming years and will require some innovative ideas and new models of financing.

Your Company aspires to be the most trusted and respected name in infrastructure in India and the World. We seek to attain a transnational presence in Infrastructure that would be competitive and avant-garde. Even as we are going from strength to strength in the Energy and Transportation verticals, we keep abreast of constantly evolving technology, explore potential avenues in other areas within the infrastructure space. After carefully carrying out due-diligence and satisfactory evaluation of the relevant parameters, the company strives to foray into areas considered beneficial to the interests of all stakeholders.

11.Cautious Statement

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning applicable under the securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the electricity industry, changes in government regulations, tax regimes and other statutes.

Auditors' Report

To

The Board of Directors of GVK Power & Infrastructure Limited

1. We have audited the attached consolidated balance sheet of GVK Power & Infrastructure Limited ('the Company'), its subsidiaries and associates (collectively, 'the Group'), as at March 31, 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.2,807,325 lakhs as at March 31, 2012, the total revenue of Rs.249,157 lakhs and net cash flows amounting to Rs.49,461 lakhs for the year then ended. We also did not audit the financial statements of associates, whose financial statements reflect share of profit of the Company Rs.10,639 lakhs for the year ended March 31, 2012. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. Without qualifying our opinion, we draw attention to:
 - i) Note 17(i)(a) of notes to the consolidated financial statements, regarding pending confirmation and approval by the Andhra Pradesh Electricity Regulatory Commission (APERC) for the increase in capital cost and consequential accruals of revenue to that extent being the fixed charge component of the tariff for the years 1997-98 to 2000-01 aggregating to Rs.4,512 lakhs by GVK Industries Limited, a Subsidiary;
 - ii) Note 17(i)(b) and 17 (i)(c) of notes to the consolidated financial statements, regarding outstanding minimum alternate tax amounts claimed for reimbursement and other amounts aggregating to Rs.3,530 lakhs and Rs.76 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in GVK Industries Limited and GVK Gautami Power Limited's books, Subsidiary Companies;
 - iii) Note 39 of notes to the consolidated financial statements, a subsidiary company has made certain transactions covered by the provisions of Section 297 of the Companies Act, 1956, where the prior approval of the Central Government is required, but has not been so obtained. The subsidiary Company has applied to the appropriate regulatory authorities for regularisation of this non-compliance.
 - iv) Note 40 of notes to the consolidated financial statements, regarding application being made by the Company to the Reserve Bank of India ('RBI') for granting time for compliance with capital requirements and leverage ratio as applicable to Systematically Important Core Investment Company.
 - v) Note 41 of notes to the consolidated financial statements, regarding application made by the Company for waiver of excess managerial remuneration amounting to Rs.207 lakhs paid to two directors in excess of limits prescribed under Schedule XIII of the Companies Act, 1956.
5. The auditor's reports on a subsidiary and an associate, whose audited financial statements we have relied on as stated in paragraph 3 above, included certain matters as follows, in respect of which those auditor's reports were not qualified:
 - i) Note 17(i)(d) and 17(i)(e) of notes to the consolidated financial statements, regarding a subsidiary company having trade receivables from Air India Limited aggregating to Rs.21,266 lakhs and Kingfisher Airlines Limited aggregating to Rs.4,041 lakhs, which the subsidiary company considers good and recoverable for the reasons set out in the referred note. Consequently no provision towards non recoverability, if any, has been made in the financial statements;

- ii) Note 31 of notes to the consolidated financial statements, regarding an associate company that was required to demolish certain assets in order to facilitate its expansion programme. Since the expansion is being carried out to create the improved infrastructure, the associate Company believes that the existing carrying values of the assets demolished, which are integral to the plan should form part of expansion cost capitalized. The associate Company has, as a matter of abundant caution also sought an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India ("EAC") soliciting their opinion on the appropriateness of the stated accounting treatment. Pending opinion from the EAC, the Company has currently recorded the carrying values of these demolished assets aggregating to Rs.638 lakhs under capital work in progress.
- iii) Note 32 of notes to the consolidated financial statements, regarding recognition and carry forward of Minimum Alternate Tax ("MAT") credit entitlement aggregating to Rs.7,352 lakhs as at March 31, 2012 by an associate company, which, the Management is confident of utilizing within the stipulated period available under the provision of the Income-tax Act, 1961, notwithstanding the fact, that the Company is entitled to a tax holiday period as per the provisions of Section 80-IA of the aforesaid Act. The associate Company has, as a matter of abundant caution also sought an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India ("EAC") soliciting their opinion on the appropriateness of the stated accounting treatment. Pending opinion from the EAC, the associate company has currently retained the MAT credit entitlement aggregating to Rs.7,352 lakhs.
- iv) Note 33 of notes to the consolidated financial statements, regarding outstanding dues from a customer aggregating to Rs.5,532 lakhs in the books of an associate company, where there appears to be significant uncertainty relating to the ability of the party to pay the debts due to the associate company, due to financial difficulties which have resulted in scaling down of customer's business. However, Management is confident of eventual collection of the debts due from customer and accordingly believes that the current provision of Rs.264 lakhs created in accordance with the associate Company's provision policy is sufficient.

The ultimate outcome of the matters referred to in paragraphs 4 and 5 above cannot presently be determined, pending approvals, acceptances, legal and accounting interpretations and future cash flows of customers as referred to in the relevant notes to the consolidated accounts and accordingly no provision for any liability and/or adjustments that may result has been made in the consolidated financial statements.

- 6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in con-formity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;
 - b) in the case of the statement of consolidated profit and loss, of the profit for the year ended on that date; and
 - c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

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

per **Vikas Kumar Pansari**
 Partner
 Membership No.: 93649

Place : Hyderabad
 Date : May 9, 2012

Consolidated Balance Sheet as at March 31, 2012

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Equity and liabilities			
Shareholders' Funds			
Share capital	4	15,792	15,792
Reserves and surplus	5	332,345	322,886
		348,137	338,678
Deferred income	2(h) & 25	16,431	17,027
Minority interest		311,678	115,336
Non-current liabilities			
Long-term borrowings	6	1,109,444	421,133
Deferred tax liabilities (net)	7	30,139	5,761
Other long-term liabilities	8	28,451	12,291
Long-term provisions	9	2,984	1,417
		1,171,018	440,602
Current liabilities			
Short-term borrowings	10	279,010	114,849
Trade payables	11	42,863	10,429
Other current liabilities	11	117,559	33,505
Short-term provisions	9	2,815	1,044
		442,247	159,827
		2,289,511	1,071,470
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	494,285	288,986
Intangible assets	13	213,189	78,202
Capital work-in-progress		751,079	257,573
Expenditure incurred during construction period	14	194,524	61,719
Intangible assets under development		17,631	330
Non-current investments	15	189,791	173,762
Deferred tax assets (net)	7	64	62
Long-term loans and advances	16	135,907	66,747
Trade receivables	17 (a)	8,118	6,810
Other non-current assets	17 (b)	4,109	4,382
		2,008,697	938,573
Current assets			
Current investments	18	23,406	76,409
Inventories	19	7,540	3,168
Trade receivables	17 (a)	37,502	120
Cash and bank balances	20	172,626	32,820
Short-term loans and advances	16	21,022	3,550
Other current assets	17 (b)	18,718	16,830
		280,814	132,897
		2,289,511	1,071,470
Summary of significant accounting policies	2		

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

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2012

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Income			
Revenue from operations	21	249,183	191,466
Other income	22	8,887	2,853
Total revenue		258,070	194,319
Expenses			
Cost of fuel		118,483	114,171
Annual fee to Airport Authority of India		23,150	-
Employee benefit expense	23	8,068	3,349
Finance costs	24	46,727	26,314
Depreciation and amortization expense	25	24,893	18,364
Other expenses	26	30,074	22,547
Total expenses		251,395	184,745
Profit before tax and share of profits of associate and minority interest		6,675	9,574
Tax expenses			
Current tax		7,659	5,639
MAT credit		(2,570)	(3,132)
Deferred tax		1,683	(404)
Income tax for earlier years		10	29
Total tax expenses		6,782	2,132
Profit/(loss) after tax and share of profits of associate and minority interest		(107)	7,442
Add: Share of profits of associates for the year		10,639	11,093
Less: Minority interest		4,386	3,044
Profit for the year		6,146	15,491
Earnings per equity share (in Rs.)			
- Basic		0.39	0.98
- Diluted		0.39	0.98
Nominal value per equity share (in Rs.)		1	1
Weighted average number of equity shares			
- Basic		1,579,210,400	1,579,210,400
- Diluted		1,579,210,400	1,579,210,400
Summary of significant accounting policies	2		

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

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Cash flow from Operating Activities			
Profit before tax		6,675	9,574
Adjustments for			
Depreciation and amortisation		24,893	18,364
Loss/(Profit) on sale of fixed assets (net)		(12)	1
Insurance claims and assets written off		17	-
Unrealised foreign exchange loss		222	520
Profit on sale of non trade current investments (net)		(3,964)	(1,497)
Dividend income from non trade current investments		(97)	(169)
Interest expense		45,722	25,447
Interest income		(3,462)	(984)
Excess provisions/credit balances written back		(76)	(26)
Operating profit before working capital changes		69,918	51,230
Movements in working capital			
Increase in inventories		(3,866)	(762)
Increase in current liabilities and provisions		17,710	855
Increase in trade receivables and other current and non current assets		(2,611)	(967)
Increase in loans and advances		(4,055)	(4,512)
Cash generated from operations		77,096	45,844
Direct taxes paid		(5,442)	(4,983)
Net cash from operating activities	(A)	71,654	40,861
Cash flows from investing activities			
Purchase of fixed assets including capital work in progress and capital advances		(346,621)	(146,123)
Proceeds from sale of fixed assets		385	14,446
Refund of capital advances		7,266	-
Purchase of current investments		(335,048)	(385,379)
Proceeds from sale/maturity of current investments		399,424	349,773
Purchase of non current investments including associates		(62,054)	(7,400)
Investments in bank deposits (having original maturity of more than three months)		(93,067)	(201)
Proceeds from deemed disposal of stake in subsidiaries		10,995	24,783
Payments for net assets acquired of subsidiaries, net of cash		(101,157)	(2)
Share application money received		-	233
Interest received		3,819	615
Net cash used in investing activities	(B)	(516,058)	(149,255)

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Cash flows from financing activities			
Money received from minority shareholders		111,213	71,524
Money refunded to minority shareholders		(2,802)	-
Proceeds from short-term borrowings (net)		163,942	10,750
Proceeds from long-term borrowings		342,793	151,110
Repayment of long-term borrowings		(21,880)	(52,058)
Interest paid		(101,212)	(44,947)
Net cash flow from financing activities	(C)	492,054	136,379
Effect of foreign exchange differences	(D)	8	-
Net increase in cash and cash equivalents	A+B+C+D	47,658	27,985
Cash and cash equivalents at the beginning of the year		31,794	3,809
Cash and cash equivalents at the end of the year		79,452	31,794
Components of Cash and cash equivalent			
Cash on hand		214	75
Cheques/drafts on hand		5,956	-
Balances with banks on:			
Current accounts		53,885	9,679
deposit account		19,382	22,020
unpaid dividend accounts*		15	20
Total cash and cash equivalents	Note 20	79,452	31,794
Add: Fixed deposits classified in investing activities		93,174	1,026
Cash and bank balance as reported in consolidated balance sheet	Note 20	172,626	32,820
Summary of significant accounting policies	2		

*Not available for ready use by the Group

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

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

1. Nature of operations

GVK Power & Infrastructure Limited ("Parent Company" or "the Company") is primarily engaged in the business of providing operation & maintenance services, manpower & consultancy services and incidental services to owners of power plants and infrastructure companies. The Parent Company together with its subsidiaries and associates (collectively termed as "the Group") is engaged in constructing and operating power plants, highway projects, airports, exploration of oil, natural gas and coal mines.

The following is the brief description of the subsidiaries:

- a) GVK Industries Limited
("GVKIL" or "Subsidiary Company") is engaged in the business of generation of power.
- b) GVK Jaipur Expressway Private Limited
("GJEPL" or "Subsidiary Company") is engaged in building and developing highway project.
- c) Alaknanda Hydro Power Company Limited
("AHPCL" or "Subsidiary Company") is engaged in the business of generation of power.
- d) GVK Power (Goindwal Sahib) Limited
("GVKPGSL" or "Subsidiary Company") is engaged in the business of generation of power.
- e) GVK Coal (Tokisud) Company Private Limited
("GVKCCPL" or "Subsidiary Company") is engaged in the business of mining of coal meant.
- f) GVK Airport Developers Private Limited
("GVKADPL" or "Subsidiary Company") is engaged in the business of construction and development of airports.
- g) Goriganga Hydro Power Private Limited
("GHPPL" or "Subsidiary Company") is engaged in the business of generation of power.
- h) GVK Airport Holdings Private Limited
("GVKAHPL" or "Subsidiary Company") is engaged in the business of investment as promoters and developers of the international and domestic airport projects.
- i) GVK Perambalur SEZ Private Limited
("GVKPSPL" or "Subsidiary Company") is engaged in the business of development, operation and maintenance of infrastructure facility.
- j) GVK Oil & Gas Limited
("GVKOGI" or "Subsidiary Company") is engaged in the business of exploration of Oil and Natural Gas.
- k) GVK Energy Limited
("GVKEL" or "Subsidiary Company") is engaged in the business of providing operating and maintenance services to owners of power plants.
- l) GVK Developmental Projects Private Limited
("GVKDPPL" or "Subsidiary Company") is engaged in the business of Infrastructure Projects.
- m) GVK Gautami Power Limited
("GVKGPL" or "Subsidiary Company") is engaged in the business of generation of power.
- n) Bangalore Airport & Infrastructure Developers Private Limited
("BAIDPL" or "Subsidiary Company") is engaged in construction and development of domestic and international airports.
- o) GVK Energy Venture Private Limited
("GVKEVPL" or "Subsidiary Company") is engaged in the business of investment in mega power projects.
- p) GVK Bagodara Vasad Expressway Private Limited
("GVKBVEPL" or "Subsidiary Company") is engaged in the business of building and developing highway project.
- q) GVK Deoli Kota Expressway Private Ltd
("GVKDKEPL" or "Subsidiary Company") is engaged in the business of building and developing highway project.
- r) GVK Ratle Hydro Electric Project Private Limited
("GVKRHEPPL" or "Subsidiary Company") is engaged in the business of generation of power.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- s) GVK Transportation Private Limited
("GVKTPL" or "Subsidiary Company") is engaged in building and developing highway project
- t) Mumbai International Airport Private Limited
("MIAL" or "Subsidiary Company") is engaged in operations, maintenance and development of Chhatrapati Shivaji International Airport, Mumbai.
- u) GVK Power (Khadur Sahib) Private Limited
("GVKPKSPL" or "Subsidiary Company") is engaged in the business of generation of power.
- v) GVK Airports International Pte Ltd
("GVKA IPL" or "Subsidiary Company") is engaged in construction and development of airports.
- w) GVK Shivpuri Dewas Expressway Private Limited
("GVKSDEPL" or "Subsidiary Company") is engaged in building and developing highway project.

The following is the brief description of the associates:

- a) Bangalore International Airport Limited ("BIAL" or "Associate Company") is engaged in operations, maintenance and development of Bangalore International Airport, Bangalore.
- b) Seregarha Mines Limited ("SML" or "Associate Company") is engaged in exploration of coal mines.

2. Statement of significant accounting policies

a. Basis of preparation

The consolidated 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 accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below:

Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its consolidated 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 consolidated financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Principles of consolidation

Investments in subsidiaries and associates in consolidated financial statements are accounted in accordance with accounting principles as defined in the AS 21 "Consolidated financial statements" and AS 23 "Accounting for investments in associates in consolidated financial statements" notified by Companies Accounting Standards Rules, 2006 respectively. The consolidated financial statements are prepared on the following basis:

- i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.
- ii) The difference between the cost to the Group of investments in subsidiaries and the proportionate share in the equity of the subsidiary company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Any gain/loss arising upon acquiring additional stake in subsidiary from parties outside the group is accounted for as goodwill/capital reserve. Similarly, any gain/loss arising upon dilution of stake in subsidiary in favour of parties outside the group is recorded in capital reserve.
- iii) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity in the absence of the contractual obligation on the minorities, the same is accounted for by the Company.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- iv) Investments in associates are accounted for using equity method. The excess of cost of investment over the proportionate share in equity of the associate as at the date of acquisition of stake is identified as Goodwill and is disclosed in the consolidated financial statements. The carrying amount of the investment is adjusted thereafter for the post-acquisition change in the share of net assets of associate. However, share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped.
- v) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements.
- vi) The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended March 31, 2012.
- vii) As per Accounting Standard 21, only those notes which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements are not disclosed in the consolidated financial statements.

The consolidated financial statements as at and for the year ended on March 31, 2012 include the financial statements of the following entities:

Name of the consolidated entity	Country of Incorporation	Nature of Interest	% of interest	
			2012	2011
GVKIL	India	Subsidiary	73.94	81.95
GJEPL	India	Subsidiary	100.00	100.00
AHPCL	India	Subsidiary	73.94	81.95
GVKPGSL	India	Subsidiary	73.94	81.95
GVKCCPL	India	Subsidiary	73.94	81.95
GVKADPL	India	Subsidiary	100.00	100.00
GHPPL	India	Subsidiary	100.00	100.00
GVKAHPL	India	Subsidiary	100.00	100.00
GVKPSPL	India	Subsidiary	100.00	100.00
GVKEL	India	Subsidiary	73.94	81.95
GVKOGI	India	Subsidiary	100.00	100.00
GVKDPPL	India	Subsidiary	100.00	100.00
GVKGPL	India	Subsidiary	47.02*	52.12
BAIDPL	India	Subsidiary	100.00	100.00
GVKEVPL	India	Subsidiary	100.00	100.00
GVKDKEPL	India	Subsidiary	100.00	100.00
GVKBVEPL	India	Subsidiary	100.00	100.00
GVKRHEPPL	India	Subsidiary	100.00	100.00
GVKTPL	India	Subsidiary	100.00	100.00
GVKPKSPL	India	Subsidiary	73.94	-
GVKSDEPL	India	Subsidiary	100.00	-
GVKA IPL	Singapore	Subsidiary	100.00	-
MIAL**	India	Subsidiary	50.50	37.00
BIAL	India	Associate	43.00	29.00
SML	India	Associate	32.87	36.43

* GVKEL, subsidiary company holds 63.6% equity stake in GVKGPL and the Parent Company holds 73.94% in GVKEL.

** MIAL has become subsidiary w.e.f October 18, 2011 and prior to that it was an associate company.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

c. 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.

d. 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. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

Depreciation is provided on straight line method at the rates mentioned below, which are greater than or equal to the corresponding rates prescribed in Schedule XIV of the Act:

Particulars	Rates (SLM)
Factory building	3.34%
Non-factory building	1.63%
Plant and machinery	5.28%
Computers and computer equipment	16.21%
Office and electrical equipment	4.75%
Furniture and fixtures	6.33%
Vehicles	9.50%

Leasehold land is amortised over the period of the lease or useful life whichever is lower.

The expenditure on improvement to runways and existing infrastructure of airport are amortised over their estimated useful life of 20 years and 10 years respectively.

Fixed assets individually costing Rs.0.05 or less are fully depreciated in the year of purchase.

Oil & gas assets

The Company follows full cost method of accounting for Oil & Gas Assets. All costs incurred in prospecting, acquiring, mineral interest are accumulated in a large cost centers and are carried as capital work-in-progress.

Aeronautical assets

Development fee levied under the authority of Ministry of Civil Aviation, Government of India/AERA for exclusive utilization for development of aeronautical assets, is disclosed as reduction from the cost of such aeronautical assets.

e. Intangible assets and amortization

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangible assets are stated at cost less accumulated amortization.

Toll collection rights

Direct expenditure incurred on construction of highway project is shown as toll collection rights.

Toll collection rights are amortized over the concession period (i.e. 18 years) proportionately in each year based on the actual traffic revenue for the year and projected traffic revenue for the balance concession period.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Software

Cost of software is amortised on a straight line basis over its estimated useful life which is three to six years.

Airport grant for upfront fees and other compensations

The non-refundable upfront fee, other compensations paid/payable to the AAI for the airport grant is classified under "Intangible Assets" and is amortized over the primary period of the grant available under Operation, Maintenance and Development Agreement ('OMDA').

Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the subsidiary companies as on the date of investment. Goodwill is not amortised but is tested for impairment, where indicator of impairment exists and losses are recognized where applicable.

f. Impairment

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

g. Investments

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

h. Government grants

Grants from the government are recognized when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants relating to assets are recognized in the proportion in which the amortization of such assets is charged and are netted off against the amortization on such assets.

Grants related to depreciable assets are treated and disclosed as deferred income which is recognized in the statement of profit and loss over the periods and in the proportions in which depreciation on related asset is charged.

i. Revenue recognition

Revenue is recognized to the extent that it is probable that 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) Generation of power

Revenue from sale of energy is recognized on accrual basis in accordance with the provisions of the Power Purchase Agreements ("PPA") with Andhra Pradesh Transmission Corporation Limited ("AP Transco").

The subsidiary companies ('GVKIL' and 'GVKGPL') are also eligible to receive incentive fees for every percentage point generated in excess of Plant Load Factor as defined in PPA with AP Transco. Such incentives are accrued on achievement of specified Plant Load Factor.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

ii) **Aeronautical services, Non-Aeronautical services and Cargo services**

Revenue from aeronautical services (net of credit notes) includes landing and parking charges and passenger service fees at the rates prescribed under State Support Agreement, as amended from time to time by Ministry of Civil Aviation, Government of India ("MoCA") / Airports Economic Regulatory Authority ("AERA"). Landing and parking charges are recognized, when such services are provided. Passenger service fees – facilitation component is recognized in respect of each embarking passenger at a specified rate. Passenger service fees – security component (PSF-SC) collected as per the terms of State Support Agreement and MoCA orders, is not recognized as revenue of the Company since the same is collected in a fiduciary capacity.

Revenue from non-aeronautical services (net of credit notes) consisting of concessions, rentals, public admission fees, hangar charges, car parking rentals, demurrage on cargo etc., is recognized as per terms of contracts.

Revenue from cargo services (net of credit notes) is recognized as and when the related services are rendered.

iii) **Income from toll operations**

The revenue is recognized as and when the traffic passes through toll – plazas.

iv) **Manpower and consultancy services**

Revenue for manpower services are recognised as and when services are rendered based on time spent.

v) **Interest**

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

vi) **Dividends**

Revenue is recognised when the shareholders'/unit holders' right to receive payment is established by the balance sheet date.

vii) **Guarantee commission**

Revenue is recognized on a time proportion basis taking into account the guarantee amount and the commission rate applicable.

j. **Borrowing Costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

k. **Foreign currency translation**

Foreign currency transaction and balances

i) **Initial recognition**

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

ii) **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.

iii) **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 recognized as income or as expenses in the year in which they arise.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Translation of integral and non-integral foreign operation

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

I. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

m. Retirement and other employee benefits

- i) Retirement benefit in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss of the year when the contributions are due. The company has no obligation other than the contribution payable to the provident fund.
- ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
- v) The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n. Inventories

Spares, stores and consumables are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

o. Income taxes

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 Income Tax Act, 1961. Deferred income taxes reflect the impact of current period timing differences between taxable income and accounting income for the period 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be 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.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

MAT credit is recognised 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.

p. 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.

q. 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 will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provision for resurfacing obligations

Contractual obligations to periodically maintain, replace or restore infrastructure at the end of each five years or earlier as per the terms of the concession agreement are provided for in accordance with Accounting Standard (AS) - 29 "Provision, Contingent Liabilities and Contingent Assets" i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

r. Segment Reporting Policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business.

Intersegment Transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

The corporate and other segment include general corporate income and expense items which are not allocated to any business segment.

s. 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.

t. Derivative instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the loss is charged to the income statement. Gains are ignored.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

u. 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 not recognized 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 recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3. Difference in accounting estimates/policy**i. Depreciation**

Depreciation on certain fixed assets of BIAL is provided at rates which are different from the rates used by the Parent Company, Estimate of useful life and quantum of assets on which different rates are followed are as follows:

Asset Description	Useful life	March 31, 2012	March 31, 2011
Buildings	3.33% - 5%	49,333	50,760
Engineering structures	3.33%-5%	46,058	47,440
Plant and machinery	4.75%-16.21%	39,923	46,745
Office equipment	10.34%-25%	180	180
Computer and computer equipments	16.21%-25%	3,142	4,117
Furniture and fixtures	6.33%-10%	4,960	5,470
Vehicles	9.5%-20%	1,363	1,572
Software	20%-33.33%	460	582

ii. Inventory

Valuation of certain inventory of MIAL is done on first in first out basis. The closing stock of inventory in hand was Rs.364 (March 31, 2011: Rs.452)

4. Share capital

	March 31, 2012	March 31, 2011
Authorized shares		
2,500,000,000 (March 31, 2011: 2,500,000,000) equity shares of Rs.1/ each	25,000	25,000
Issued, subscribed and fully paid-up shares		
1,579,210,400 (March 31, 2011: 1,579,210,400) equity shares of Rs.1 each	15,792	15,792
Add: Issued during the year	-	-
	15,792	15,792

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

	March 31, 2012		March 31, 2011	
	No.	Rs.	No.	Rs.
Equity shares				
At the beginning of the year	1,579,210,400	1,579	1,579,210,400	1,579
Issued during the year	-	-	-	-
	1,579,210,400	1,579	1,579,210,400	1,579

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs.1 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 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.

c) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	March 31, 2012		March 31, 2011	
	No	% holding	No	% holding
G Indira Krishna Reddy	394,994,190	25.01	435,944,190	27.61
HSBC Global Investment Funds	115,250,000	7.30	113,000,000	7.16
Vertex Infratech Private Limited	116,896,770	7.40	-	-

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash:

	March 31, 2012	March 31, 2011
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	52,850,000	52,850,000
Equity shares allotted as fully paid-up pursuant to scheme of amalgamation	703,250,000	703,250,000
Equity shares allotted as fully paid-up pursuant to scheme of arrangement	90,462,150	90,462,150

5. Reserves and surplus

	March 31, 2012	March 31, 2011
Capital reserve on acquisition		
Balance as per the last financial statements	47,530	39,352
Add: additions during the year	3,305	8,178
	50,835	47,530
General reserve		
Balance as per the last financial statements	952	952
Add: additions during the year	-	-
	952	952
Securities premium account		
Balance as per the last financial statements	215,352	215,935
Less: amounts utilised for share issue expenses	-	583
	215,352	215,352
Surplus in the statement of profit and loss		
Balance as per the last financial statements	59,052	43,561
Profit for the year	6,146	15,491
Net surplus in the statement of profit and loss	65,198	59,052
Foreign currency translation reserve	8	-
Total reserves and surplus	332,345	322,886

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

6. Long term borrowings

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	816,402	266,202	22,708	10,519
Foreign currency loan from banks (secured)	41,721	40,504	4,119	2,408
Indian rupee loan from financial institutions (secured)	243,697	114,321	10,352	5,875
Indian rupee loan from financial institutions (unsecured)	7,500	-	-	-
Other loans and advances				
Vehicle loan (secured)	124	106	110	53
	1,109,444	421,133	37,289	18,855
The above amount includes				
Secured borrowings	1,101,944	421,133	37,289	18,855
Unsecured borrowings	7,500	-	-	-
Amount disclosed under the head "other current liabilities" (note 11)	-	-	(37,289)	(18,855)
Net amount	1,101,944	421,133	-	-

Entity wise details of the above long term borrowings are as follows:

Name of the entities	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Parent Company	30	64	34	30
GVKIL	50,649	54,676	8,611	7,087
AHPCL	211,284	171,729	10,748	2,595
GVKPGSL	151,503	70,809	6	6
GJEPL	107,464	17,114	2,992	2,843
MIAL	375,516	-	3,030	-
GVKCCPL	9,850	5,400	-	-
GVKBVEPL	6,500	-	-	-
GVKADPL	90,000	-	-	-
GVKDKEPL	15,550	-	-	-
GVKGPL	91,098	101,341	11,868	6,294
	1,109,444	421,133	37,289	18,855

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

The details of the security, repayment and other terms are as follows:

A) Parent Company

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Loans from bank- vehicle loan (secured)	30	64	34	30
Amount disclosed under the head "other current liabilities"	-	-	(34)	(30)
Net amount	30	64	-	-

Vehicle loan from bank carries interest @ 8.5% p.a. The loan is repayable in 36 monthly instalments of Rs.3.15, along with interest, from the date of loan, viz., January 29, 2011. The loan is secured by charge over fixed asset i.e. vehicle, for which finance is provided by the lender.

B) GVKIL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	33,686	36,387	5,701	4,478
Foreign currency loan from banks (secured)	11,023	11,247	1,807	1,505
Indian Rupee loan from financial institutions (secured)	5,936	7,035	1,100	1,101
Other loans and advances				
Vehicle loan (secured)	4	7	3	3
	50,649	54,676	8,611	7,087
The above amount includes				
Secured borrowings	50,649	54,676	8,611	7,087
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(8,611)	(7,087)
Net amount	50,649	54,676	-	-

- a. Rupee term loans from banks other than one loan from State Bank of India of Rs.3,000, financial institutions and foreign currency loan from a bank are secured by:
- Pari passu first mortgage and charge on all the immovable and movable properties (both tangible and intangible), present and future of the expansion project and assets common for both Phase I and Phase II;
 - Pari passu first charge on all the immovable and movable properties (both tangible and intangible), present and future, pertaining to Phase-I;
 - Pari passu first charge/assignment/security interest on all the revenues/receivables of the subsidiary company pertaining to Phase-II;
 - Pari passu first charge/assignment/security interest on subsidiary company's rights under Phase II agreements, in respect of all clearances, licenses, permits, approvals and consents in respect of the expansion project and letters of credit, guarantee or performance bond that may be provided in favour of subsidiary company; and
 - Pledge of 28% of shares of the subsidiary company held by its holding company, GVKEL.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- b. Loan from State Bank of India is secured by hypothecation of first charge on spares and Pari-passu first charge on Fixed Assets of Phase I.
- c. Repayment and other terms of loans as follows:
- i) Rupee loan from State Bank of India amounting to Rs.3,000 is repayable in 12 quarterly instalments from June 2012 and currently carries interest of 13% per annum.
 - ii) Other Indian Rupee loans from banks are repayable in 42 quarterly instalments from 2008-09, and currently carry interest of 9.50% per annum.
 - iii) Term loans from financial institution are repayable in 39 quarterly instalments from 2008-09, and carry interest of 9.88 % and 11.35% for the two tranches.
 - iv) Foreign currency loan is repayable in 13 half yearly foreign currency instalments from 2008-2009 and 13 quarterly INR instalments from 2015-2016. Interest is payable half yearly at 6 Month Libor plus 2.50% margin and interest on INR instalments would be agreed at the time of conversion.
- d. The vehicle loan is secured by charge over fixed asset i.e. vehicle, for which finance is provided by the lender. It is repayable in 31 instalments and carries interest at 9.6% p.a.

C) AHPCL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	154,801	122,516	8,390	1,973
Foreign currency loan from banks (secured)	19,077	17,712	763	224
Indian rupee loan from financial institutions (secured)	29,906	31,501	1,595	398
Indian rupee loan from financial institution (unsecured)	7,500	-	-	-
	211,284	171,729	10,748	2,595
The above amount includes				
Secured borrowings	203,784	171,729	10,748	2,595
Unsecured borrowings	7,500	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(10,748)	(2,595)
Net amount	211,284	171,729	-	-

- a. Rupee term loans from banks, financial institutions and foreign currency loan from bank are secured by:
- i) First mortgage on the subsidiary company's immovable properties present and future;
 - ii) First charge by way of hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
 - iii) First charge on all cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising and all intangibles including but not limited to goodwill, uncalled capital, present and future; and
 - iv) Assignment or creation of security interest in:
 - All rights, titles, interest, benefits, claims and demands whatsoever of the subsidiary company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
 - All rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in the clearances;
 - All rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in any letter of credit, guarantee, performance bond provided by any party to the project document;

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- All insurance contracts / insurance proceeds;
 - Pledge of 51% of equity shares issued or to be issued by the subsidiary company during the currency of the term loans; and
 - The aforesaid mortgages, hypothecation, assignment charges and pledge of shares, shall in all respects, rank pari passu interest.
- b. Repayment and other terms of loans are as follows:
- i) All the secured rupee term loans are repayable in 60 quarterly instalments commencing from January 1, 2012. However, the subsidiary company has requested banks to reschedule the repayment date starting from December 1, 2013 to be repaid in 53 quarterly instalments which is under consideration of the lenders. Pending approval of the same the subsidiary company paid the first instalment due on January 1, 2012 in accordance with the existing repayment schedule.
 - ii) The secured foreign currency loans are repayable in 60 quarterly instalments commencing from January 1, 2012.
 - iii) The secured rupee term loans currently carry interest at 12% per annum subject to reset. Foreign currency loan carries floating rate of interest at 3 month LIBOR + 248 bps (i.e.2.48%).
- c. Unsecured loan from financial institution is repayable in full within 24 months from the date of disbursement i.e. July 25, 2011. Interest is currently payable at 13.5% per annum.

D) GVKPGSL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	126,500	58,700	-	-
Indian rupee loan from financial institution (secured)	25,000	12,100	-	-
Other loans and advances				
Vehicle loan (secured)	3	9	6	6
	151,503	70,809	6	6
The above amount includes				
Secured borrowings	151,503	70,809	6	6
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(6)	(6)
Net amount	151,503	70,809	-	-

- a. Rupee term loans from banks and financial institutions are secured by:
- i) The subsidiary company's all movable, immovable properties and receivables present and future;
 - ii) Assignment or creation of charge of all the right, title, interest, benefits, claims and demands whatsoever in the project documents; and
 - iii) Pledge of 51% of equity shares held by GVKEL.
- b. Repayment and other terms of loans are as follows:
70% of rupee loans are repayable in 46 quarterly instalments commencing from November 1, 2013 and balance of 30% are repayable in a single/bullet repayment instalment along with 46th quarter instalment. The loans are scheduled to be repaid fully by February 1, 2025. The Rupee Term loans currently carry interest at 13.5% per annum.
- c. The vehicle loan is secured by charge over fixed asset i.e. vehicle, for which finance is provided by the lender. The loan is repayable in 36 instalments and carries interest of 8.75% per annum.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

E) GJEPL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	9,117	10,964	1,843	1,843
From financial institutions (secured)	98,274	6,150	1,095	1,000
Other loans and advances				
Vehicle loan (secured)	73	-	54	-
	107,464	17,114	2,992	2,843
The above amount includes				
Secured borrowings	107,464	17,114	2,992	2,843
Unsecured borrowings				
Amount disclosed under the head "other current liabilities"	-	-	(2,992)	(2,843)
Net amount	107,464	17,114	-	-

- a. Rupee term loans from banks and financial institutions to the extent of Rs.6,150 are secured by:
- The subsidiary company's immovable properties present and future;
 - Hypothecation of all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
 - First charge on all cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future;
 - First charge on all intangibles including but not limited to Goodwill, uncalled capital, present and future;
 - Assignment or creation of security interest in:
 - All rights, titles, interest, benefits, claims and demands whatsoever of the subsidiary company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;
 - All rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in the clearances; and
 - All rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in any letter of credit, guarantee, and performance bond provided by any party to the project document and all insurance contracts / insurance proceeds.
 - Charge on the escrow account and other reserves, and any other bank accounts of the subsidiary company wherever maintained:
 - Pledge of shares to the extent of 51% of the equity shares of the company held by the holding Company i.e. GVK Transportation Private Limited with effect from 1.4.2011.
 - Further the debt servicing is secured by way of a bank guarantee for Rs.1,250 from Indian Overseas Bank, Secunderabad.
- b. Repayment and other terms of loans are as follows:
The aforesaid loans carry interest of 9.25% to 9.58% and the rate of interest is due for reset during August'2012. The loans have to be fully repaid by November 2017.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- c) Rupee term loans to the extent of Rs.92,124 from financial institutions are secured by:
- Mortgage by way of second exclusive charge of entire immovable properties of the subsidiary company, save and except project assets, both present and future, if any;
 - Second exclusive charge by way of hypothecation of entire movable properties of the subsidiary company, save and except project assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature;
 - Second exclusive charge on entire cash flows, receivables, book debts and revenues of the subsidiary company of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future;
 - Second exclusive charge on entire intangible assets of the subsidiary company, including but not limited to, goodwill and uncalled capital, both present and future;
 - Pledge of shares held by sponsor in dematerialized form in the equity share capital of the subsidiary company representing 51% of the total paid up equity share capital of the subsidiary company. The shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement, including shareholder agreement/joint venture agreement/ financing arrangement, with regard to pledge/transfer of the shares including transfer upon enforcement of the pledge except for the encumbrance created in favor of the existing senior lenders to the Project;
 - First exclusive charge on the surplus cash flows, surplus account and the surplus debt service reserve of the subsidiary company;
- d) Repayment and other terms of loans are as follows:
- The loans currently carry interest at 12.98% (on Rs.65,000 of original disbursement) and 12.75% (on Rs.30,000 of the original disbursement)
 - The loans were raised in October 2011 and scheduled to be repaid fully by September 15, 2021.
- e) The vehicle loan is secured by charge over fixed asset i.e. vehicle, for which finance is provided by the lender and is scheduled for repayment by June 15, 2014 in 36 equal monthly installments. The loan carries interest of 9.75%.

F) MIAL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	343,933	-	-	-
From financial institutions (secured)	30,825	-	-	-
Additional term loans from banks (secured)	758	-	3,030	-
	375,516	-	3,030	-
The above amount includes				
Secured borrowings	375,516	-	3,030	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(3,030)	-
Net amount	375,516	-	-	-

Note: In the previous year, MIAL was an associate company and hence last year figures are not disclosed.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- a. Term loans from consortium of banks and financial institution are secured by way of:
- First charge on all the amounts lying in certain designated bank accounts of the subsidiary company; and
 - Pledge of equity shares of the company held by the prime members (i.e. GVK Airport Holdings Private Limited., Bid Services Division (Mauritius) Limited and ACSA Global Limited) constituting not less than 74% of the total voting paid-up equity share capital of the subsidiary company.
- b. Additional term loan from a bank is secured by way of second charge on all the amounts lying in certain designated bank accounts of the Company.
- c. Repayment and other term of the loan are as follows:

Term loans:

- Repayable in 120 monthly instalments commencing from the 85th month after first disbursement i.e. July 2014. 18% of total loan amount outstanding will be repaid in 36 equal instalments commencing July 2014, 30% of total loan amount will be repaid in 36 equal instalments commencing July 2017 and balance 52% of total loan amount outstanding will be repaid in subsequent 48 equal instalments commencing July 2020.
- As per the common loan agreement dated April 27, 2007 with consortium of banks and financial institutions, the applicable rate of interest shall be 3 years G-Sec ("the Benchmark Rate") plus spread of 215 bps ("the spread") per annum payable monthly for the disbursements received till the amendment to common loan agreement dated April 09, 2011 and 265 bps spread for further disbursements received thereafter. The interest rate would be reset facility wise on December 31 once in every three years starting from December 31, 2009.

Additional term loan from banks:

Repayment is in equal quarterly instalments till June 2013. Current rate of interest is 9.896%.

G) GVKCCPL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	9,850	5,400	-	-

- a. Rupee term loans from banks are secured by:
- First charge on all movable, immovable properties and receivables present and future;
 - Assignment or creation of charge of all the right, title, interest, benefits, claims and demands whatsoever in the project documents; and
 - Pledge of 51% of equity shares held by the holding company i.e. GVK Energy Limited.
- b) Repayment and other terms of loans are as follows:
- Rupee term loans are repayable in 45 equal quarterly instalments commencing from April 1, 2013 and are scheduled to be repaid fully by April 1, 2024. The loans currently carry interest at 12.5% p.a. subject to reset.

H) GVKBVEPL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	6,500	-	-	-

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- a. Indian rupee loan is secured to the extent permitted under the concession agreement by:
- First charge on all the present and future moveable assets both present and future, save and except the project assets as defined under the Rupee Loan agreement;
 - First charge on all the bank accounts of the subsidiary company including debt service reserve account/escrow accounts/ its sub accounts. Charge on the escrow account shall be in a manner as permitted under the Escrow agreement and supplementary escrow agreement;
 - First charge on all intangibles of the subsidiary company including goodwill, rights, undertakings and uncalled capital both present and future save and except the project assets as defined under the rupee loan agreement;
 - Assignment by way of security of all the project documents and guarantees to the extent provided under the substitution agreement entered into by the subsidiary company with the rupee lender and authority; and
 - Pledge of 51% equity shares of the subsidiary company held by the sponsor's until the commercial operation date. Pledge of shares will be gradually reduced to 26% over a period of 3 years from the date of COD if there is no outstanding event of default.
- b) Repayment and other terms of loans are as follows:
Indian rupee loan carries interest at 11.75% p.a. up to scheduled commercial operation date and thereafter it is reset on the date falling on expiry of every 24 months from the previous interest reset date until the final settlement of loan. The loan is repayable over a period of 17.25 years (including the construction period) in 54 quarterly instalments starting from December 31, 2015.

I) GVKADPL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	90,000	-	-	-

- a. Rupee term loans from banks is secured by:
Pledge of shares held by the Parent Company in the subsidiary company and shares held by the subsidiary company in GVK Airport Holdings Private Limited and Bangalore Airport & Infrastructure Developers Private Limited. Share pledge is ranking pari passu with loan extended by other lenders. The loan is further secured by mortgage of land located at Himayat sagar, Rajender Nagar Mandal, Ranga Reddy district, Andhra Pradesh and office building including land located at 156-159, Paigah House, Sardar Patel Road, Secunderabad belonging to the promoter of Parent Company.
- b) Repayment and other terms of loans are as follows:
Loan amounting to Rs.60,000 and Rs.30,000 currently carries interest of 13.25% and 13.95% respectively. The loan is repayable on September 16, 2013 in single instalment and interest has to be paid on quarterly basis.

J) GVKDKPEL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	12,766	-	-	-
From financial institutions (secured)	2,784	-	-	-
	15,550	-	-	-
The above amount includes				
Secured borrowings	15,550	-	-	-
Unsecured borrowings	-	-	-	-
Net amount	15,550	-	-	-

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- a. Indian rupee loans are secured to the extent permitted under the concession agreement by:
- First charge on all the present and future moveable assets and intangible assets except the project assets as defined under the rupee loan agreement;
 - First charge on all revenues and receivables of the borrower from the project or otherwise;
 - Pledge of 51% equity shares of the subsidiary company held by the Sponsor's until the commercial operation date and pledge of 26% equity shares of the subsidiary company held by the Sponsor's for a period of 2 years from commercial operation date;
 - Assignment by way of security of all the project documents to the extent provided under the substitution agreement entered into by the subsidiary company with the rupee lender and the NHAI;
 - First charge on all rights, title, interests, benefits, demands, and claims under the contractor guarantees, liquidated damages, any guarantees, letter of credit, or performance bonds provided by any counter party under any contract of the borrower, insurance contracts, and insurance proceeds;
 - First charge on all the bank accounts of the subsidiary company.
- b. Repayment and other terms of loans are as follows:
- Loan currently carries interest at 10.50% p.a. up to the first interest reset date viz. scheduled project completion date or commercial operation date whichever is earlier and thereafter each such date falling every two years from the previous interest reset date, until the final settlement of the loan. The rupee lenders may change the interest rate before the interest reset date if base rate of any of the rupee lender is revised before the next interest reset date, to a rate higher than the determined interest rate. Any such change in interest rate, if made, is subject to the Reserve Bank of India's policy with regard to the base rate, as may be applicable from time to time.
 - The loan is repayable over a period of 18 years (including the construction period) in 58 quarterly instalments starting from September 30, 2014.

K) GVKGPL

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Indian rupee loan from banks (secured)	28,491	32,235	3,744	2,226
Foreign currency loan from banks (secured)	11,621	11,545	1,549	679
From financial institutions (secured)	50,972	57,534	6,562	3,376
Other loans and advances				
Vehicle loan (secured)	14	27	13	13
	91,098	101,341	11,868	6,294
The above amount includes				
Secured borrowings	91,098	101,341	11,868	6,294
Unsecured borrowings				
Amount disclosed under the head "other current liabilities"	-	-	(11,868)	(6,294)
Net amount	91,098	101,341	-	-

- a. Rupee term loans from banks, financial institutions and foreign currency loans are secured by:
- Pari passu first charge by deposit of title deeds of immovable properties in respect of project land;

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- ii) Pari passu first charge in the form of Hypothecation of all movable assets of the project both present and future except specified receivables on which first charge was given to working capital lender;
 - iii) Pari passu first charge/assignment/security interest on/ of all the rights, titles, interest and benefits and all licenses, permits, approvals and consents in respect of the project; and
 - iv) Pledge of 51% shares of paid-up capital of the subsidiary company held by GVKEL.
- b.** Repayment terms of loans are as follows:
- i) Indian Term Loans from banks currently carries interest at 9.50%p.a to 11.50% p.a. The loans are repayable in 42 to 44 quarterly instalments along with monthly interest. The first instalment was paid in year 2008-2009 and the final instalments will fall due on March 15, 2020.
 - ii) Foreign Currency Loan carries interest at 3 M Libor plus 2.50% margin. The loan is repayable in 43 quarterly instalments along with interest. The first instalment was paid in year 2008-2009 and the final instalments will fall on March 15, 2020.
 - iii) Term Loans from financial institution currently carries interest at 11.35%. These loans are repayable in 40 quarterly instalments along with monthly interest. The first instalment was paid in year 2010-2011 and the final instalment will fall on April 15, 2020.
- c.** The vehicle loan is secured by charge over fixed asset i.e. vehicle, for which finance is provided by the lender and is scheduled for complete repayment by March 2014.

7. Deferred tax liabilities and assets

	March 31, 2012	March 31, 2011
Deferred tax liability (net)		
Depreciation	30,246	5,334
Provision for doubtful trade receivables	(182)	-
Provision for retirement benefits	(338)	-
Others	413	427
	30,139	5,761
Deferred tax asset (net)		
Provision for retirement benefits	72	68
Depreciation	(8)	(6)
Gross deferred tax asset	64	62

Note:

In accordance with the terms and conditions of the Power Purchase Agreement ("PPA") with AP Transco, GVKIL is entitled for reimbursement of tax on income. Since deferred tax liability is created based on tax laws, timing difference reversing after tax holiday period but within the period of power purchase agreement amounting to Rs.2,623 (March 31, 2011: Rs.3,496) has been accrued as unbilled revenues. Further, the Company has created deferred tax liability on such unbilled revenue to the extent not expected to be reimbursed by AP Transco.

8. Other long-term liabilities

	March 31, 2012	March 31, 2011
Retention money	10,391	12,291
Retirement compensation payable to AAI under OMDA	11,839	-
Security deposits	5,197	-
Others	1,024	-
	28,451	12,291

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

9. Provisions

	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for employee benefits				
Provision for gratuity (note 27)	718	284	99	12
Provision for leave benefits	-	-	1,614	224
	718	284	1,713	236
Other provisions				
Provision for income tax (net)		-	1,102	808
Provision for resurfacing obligation	2,266	1,133	-	-
	2,266	1,133	1,102	808
	2,984	1,417	2,815	1,044

10. Short term borrowings

	March 31, 2012	March 31, 2011
Debentures (secured)	-	75,000
Cash credit (secured)	1,083	1,451
Overdraft from banks (secured)	45,250	4,247
Overdraft from banks (unsecured)	13,372	-
Buyers credit from banks (secured)	2,935	2,651
Other loans and advances		
- Loan from banks (secured)	110,770	10,000
- Loan from banks (unsecured)	97,000	21,500
- Loan from others (secured)	8,600	-
	279,010	114,849
The above amount includes		
Secured borrowings	168,638	93,349
Unsecured borrowings	110,372	21,500

Entity wise details of the borrowings are as follows:

Name of the entities	March 31, 2012	March 31, 2011
Parent Company	41,595	10,000
GVKIL	9,973	25,602
MIAL	81,045	-
GVKADPL	83,847	75,000
GVKTPL	53,900	-
GVKRHEPPL	8,600	-
GVKGPL	50	4,247

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

The details of the loan entity wise are as follows:

a) Parent Company

	March 31, 2012	March 31, 2011
Overdraft from banks (unsecured)	4,725	-
Other loans and advances		
- Loan from banks (secured)	21,870	10,000
- Loan from banks (unsecured)	15,000	-
	41,595	10,000

- Over draft is unsecured and carries interest rate of 10.85%.
- Term loan aggregating to Rs.20,000 is secured by first charge on the current assets, present and future of the company and carries interest at base + 150 bps i.e. currently 11.50% per annum
- Term loan aggregating to Rs.1,870 presently carries interest of 12% per annum and secured by (i) charge on loans and advances of the company to GVK Airport Developers Private Limited ("GVKADPL") and also loans and advances provided by GVKADPL to GVK Airport Holdings Private Limited ("GVKAHPL") and Bangalore Airport & Infrastructure Developer Private Limited ("BAIDPL") (ii) exclusive charge on shares of GVKADPL to the extent of two times of facility amount. (iii) exclusive charge on shares of GVKAHPL and BAIDPL not exceeding 30% of the shares of the companies and the no. of shares to be pledged to be in proportion to the lenders at GVKADPL.
- Term loans aggregating to Rs.15,000 is unsecured and carries interest rate of 11.75%.

b) GVKIL

	March 31, 2012	March 31, 2011
Cash credit from banks (secured)	38	1,451
Buyers credit from banks (secured)	2,935	2,651
Other loans and advances		
- Loan from banks (secured)	5,000	-
- Loan from banks (unsecured)	2,000	21,500
	9,973	25,602

- Cash Credit from banks are secured by:
 - In respect of Phase-I working capital lenders, first charge on receivables of Phase-I and second charge on fixed assets of Phase-I.
 - In respect of Phase-II working capital lenders, first charge on fixed assets and on current assets of Phase-II on pari passu with Phase-II term lenders.
 - Cash credit carries interest at PLR+ margin which ranged from 11% to 14% per annum
- Buyer's Credit is secured by corporate guarantee of Parent Company and carries interest at Libor plus 2.50 margin.
- Loan from Syndicate Bank (Rs.5,000) is secured by pari passu second charge on fixed assets of the subsidiary company and currently carries interest of 12.25% per annum.
- Unsecured loan from bank currently carries interest of 11.75% per annum.

c) MIAL

	March 31, 2012	March 31, 2011
Cash credit from banks (secured)	1,045	-
Other loans and advances		
- Loan from banks (unsecured)	80,000	-
	81,045	-

- Loan from banks are in the process of getting securitized, loan amounting to Rs.15,000/-, Rs.35,000/- and Rs.30,000/- carrying interest of 12.75%, 12% and 12.25% respectively.
- Terms of security for Cash Credit facilities: refer note 6(f).

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

d) GVKADPL

	March 31, 2012	March 31, 2011
Overdraft from banks (secured)	45,200	-
Overdraft from banks (unsecured)	8,647	-
Debentures (secured)	-	75,000
Other loans and advances		
- Loan from banks (secured)	30,000	-
	83,847	75,000

- Overdraft facility amounting to Rs.45,200 currently carries interest of 11.25% p.a. The loans are 100% secured in the form of lien on fixed deposit of the subsidiary company.
- Overdraft amounting to Rs.4,985 currently carries interest of 11.20% p.a & Rs.3,662 carries interest of 11.33% p.a.
- Loan amounting to Rs.30,000 currently carries interest of 14.25% p.a. The loans are secured by pledge of shares held by parent company in the subsidiary company and shares held by the subsidiary company in GVKAHPL and BAIDPL. Share pledge is ranking pari passu with loan extended by other lenders. The loan is further secured by mortgage of land located at Himayat sagar, Rajender Nagar Mandal, Ranga Reddy district, Andhra Pradesh and office building including land located at 156-159, Paigah House, Sardar Patel Road, Secunderabad belonging to the promoter of parent Company.
- Debentures outstanding during the previous year carry interest of 14% p.a. and are secured by pledge of 72% equity of GVKADPL and GVKAHPL.

e) GVKRHEPPL

	March 31, 2012	March 31, 2011
Other loans and advances		
- Loan from others (secured)	8,600	-

Loan is secured against:

- Fixed assets, rights titles, approvals, clearances, contracts, insurance policies of the subsidiary company.
- First charge on the current assets of the subsidiary company.
- Corporate guarantee of the parent company.
- This loan currently carries interest rate of 13% p.a. i.e SREI Benchmark Rate (SBR) minus 4.50%.

f) GVKTPL

	March 31, 2012	March 31, 2011
Other loans and advances		
- Loan from banks (unsecured)	53,900	-

Loan carries interest presently set at 12% p.a. for a period of 1 year from the date of first disbursement. The loan is secured by

- Charge on loans and advances given by the Parent company to GVKADPL and also loans and advances provided by GVKADPL to GVKAHPL and BAIDPL.
- Exclusive charge on shares of GVKADPL, however the lender has option to create pari-passu basis of pledge of shares.
- Exclusive charge on shares of GVKAHPL and BAIDPL however the lender has option to create pari-passu basis of pledge of shares.
- Corporate guarantee by the parent company.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

g) GVKGPL

	March 31, 2012	March 31, 2011
Overdraft from banks (secured)	50	4,247

Overdraft is secured by first charge on the entire current assets of the subsidiary company, including receivables and second charge on the entire fixed assets of the company on pari-passu basis. Interest is currently payable at 12.5% p.a.

11. Trade payable and other current liabilities

	March 31, 2012	March 31, 2011
Trade payables	42,863	10,429
Other current liabilities		
Current maturities of long-term borrowings (note 6)	37,289	18,855
Interest accrued but not due on borrowings	3,501	2,849
Unpaid dividends	15	20
Retention money	24,420	607
Advances from customers	1,780	-
Payable for capital goods	42,857	10,273
Other liabilities	7,697	901
	117,559	33,505

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

12. Tangible assets

	Freehold Land	Leasehold Land	Factory building	Non-factory building	Plant and machinery	Computers and computer equipments	Office equipment	Electrical equipment	Furniture and fixtures	Vehicles	Runways, Taxiways and Aprons	Total
Cost												
As at April 1, 2010	26,338	1,253	6,798	8,349	347,035	513	537	88	435	586	-	391,932
Additions	5,144	-	24	42	1,701	133	168	27	101	216	-	7,556
Disposals	20	-	-	-	14,759	-	-	-	-	21	-	14,800
Other adjustments												-
- Exchange differences	-	-	-	-	(255)	-	-	-	-	-	-	(255)
As at March 31, 2011	31,462	1,253	6,822	8,391	333,722	646	705	115	536	781	-	384,433
Additions on account of acquisition	-	-	-	76,301	35,795	4,480	4,687	-	4,005	31	104,175	229,474
Additions	2,910	-	11	6,207	2,815	508	306	69	673	276	12,177	25,952
Disposals	596	-	-	119	265	1	14	-	1	10	-	1,006
Other adjustments												
- Funded through Development Fee	-	-	-	-	-	-	-	-	-	-	(119)	(119)
- Exchange differences	-	-	-	-	1,761	-	-	-	-	-	-	1,761
As at March 31, 2012	33,776	1,253	6,833	90,780	373,828	5,633	5,684	184	5,213	1,078	116,233	640,495
Depreciation												
As at April 1, 2010	-	66	1,784	558	75,585	302	139	27	188	224	-	78,873
Charge for the year	-	42	232	135	16,070	65	30	6	34	58	-	16,672
Disposals	-	-	-	-	83	-	-	-	-	15	-	98
As at March 31, 2011	-	108	2,016	693	91,572	367	169	33	222	267	-	95,447
On acquisitions	-	-	-	6,911	9,577	2,286	1,218	-	1,201	4	7,033	28,230
Charge for the year	-	42	140	1,487	17,829	420	259	10	230	79	2,059	22,555
Disposals	-	-	-	8	3	-	4	-	-	7	-	22
As at March 31, 2012	-	150	2,156	9,083	118,975	3,073	1,642	43	1,653	343	9,092	146,210
Net Block												
As at March 31, 2011	31,462	1,145	4,806	7,698	242,150	279	536	82	314	514	-	288,986
As at March 31, 2012	33,776	1,103	4,677	81,697	254,853	2,560	4,042	141	3,560	735	107,141	494,285

Note: Disposals include refund of customs duty aggregating to Rs.Nil (March 31, 2011: Rs.13,241)

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

13. Intangible assets

	Toll collection rights	Goodwill	Software	Airport Grant	Total
Cost					
As at April 1, 2010	67,796	24,271	113	-	92,180
Additions	-	-	116	-	116
Disposals	-	960	-	-	960
Other adjustments					
- Exchange differences	-	-	-	-	-
- Borrowing costs	-	-	-	-	-
As at March 31, 2011	67,796	23,311	229	-	91,336
Additions on account of acquisition	-	93,276	1,507	41,471	136,254
Additions	-	-	2,685	5,610	8,294
Disposals	-	426	13	-	439
Other adjustments					
- Exchange differences	-	-	-	-	-
- Borrowing costs	-	-	-	-	-
As at March 31, 2012	67,796	116,161	4,407	47,081	235,445
Depreciation					
As at April 1, 2010	10,393	-	14	-	10,407
Charge for the year	2,695	-	32	-	2,727
Disposals	-	-	-	-	-
As at March 31, 2011	13,088	-	46	-	13,134
On acquisitions	-	-	652	5,269	5,920
Charge for the year	1,914	-	563	728	3,205
Disposals	-	-	4	-	4
As at March 31, 2012	15,002	-	1,257	5,997	22,255
Net Block					
As at March 31, 2011	54,708	23,311	183	-	78,202
As at March 31, 2012	52,794	116,161	3,150	41,084	213,189

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

14: Expenditure incurred during construction period pending allocation

Particulars	As at April 01, 2011	Additions on acquisition	Additions during the year	As at March 31, 2012
Personnel expenses:				
Salaries, allowances and bonus	1,891	12,692	4,000	18,583
Contribution to Provident and other funds	30	-	97	127
Staff welfare	94	121	116	331
Power, fuel & water charges	130	486	210	826
Stores and consumables	308	157	204	669
Rent	382	6,528	620	7,530
Rates & Taxes	1,739	104	123	1,966
Communication costs	153	134	92	379
Travelling and Conveyance	3,061	2,498	1,688	7,247
Legal and professional charges	10,081	8,102	6,139	24,322
Survey charges	100	-	48	148
Repairs & Maintenance:				-
Building	431	-	112	543
Plant & Machinery	21	-	5	26
Others	215	-	86	301
Insurance	1,494	604	494	2,592
Land lease charges	8	-	-	8
Printing & Stationery	106	-	38	144
Remuneration to directors	419	-	111	530
Office and Guest house maintenance	48	-	156	204
Loss on sale of assets(net)	10	-	-	10
Tender fees paid	10	-	-	10
Exchange fluctuations	1,143	-	1,044	2,187
Miscellaneous expenses	1,291	1,020	405	2,716
Depreciation	546	-	271	817
Project Premium	3,580	-	4,895	8,475
Financial expenses:				
Interest on fixed period loans	34,338	59,290	55,040	148,668
Interest on other loans	1,904	-	970	2,874
Guarantee commission	48	-	35	83
Exchange difference considered as adjustment to borrowing cost	-	-	1,385	1,385
Bank charges	90	3,268	1,183	4,541
Sub Total - (A)	63,671	95,004	79,567	238,242
Less:				
Interest income	120	1,584	355	2,059
Dividends from mutual funds	976	2,560	618	4,154
Profit on Sale of mutual funds	45	-	55	100
Provisions no longer required written back	694	5	53	752
Tender fee received	5	-	8	13
Sale of Scrap	56	-	141	197
Gain on forward contracts	58	-	83	141
Sub Total- (B)	1,954	4,149	1,313	7,416
Amount capitalised (C)	-	32,689	3,613	36,302
Balance carried to Balance Sheet - (A-B-C)	61,717	58,166	74,641	194,524

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

15. Non-current investments

	March 31, 2012	March 31, 2011
Trade investments (unquoted, at cost)		
Investment in associates		
A) Seregraha Mines Limited		
22,225 (March 31, 2011: 22,225) equity shares of Rs.10 each fully paid up	2	2
B) Bangalore International Airport Limited		
165,378,000 (March 31, 2011: 111,534,000) equity shares of Rs.10 each fully paid up (includes Goodwill amounting to Rs.160,730 (March 31, 2011: Rs.107,989)	179,340	117,311
Add: Opening balance of accumulated profit	4,062	259
Add: Profit for the year	6,357	3,803
	189,759	121,373
C) Mumbai International Airport Private Limited*		
Nil (March 31, 2011: 296,000,000) equity shares of Rs.10 each fully	29,600	29,600
Add: Opening balance of accumulated profit	22,786	15,496
Add: Profit for the year till the date of acquiring control	4,283	7,290
Less: Eliminated upon consolidation	(56,669)	-
	-	52,386
	189,761	173,761
Investment in equity instruments		
50,000 (March 31, 2011: Nil) equity shares of USD 1 each fully paid-up in GVK Coal Developers Singapore Pte Limited	25	-
Non-trade investments (unquoted, at cost)		
Investment in Government or trust securities		
National Savings Certificates	5	1
	30	1
	189,791	173,762
Aggregate amount of unquoted investments	189,791	173,762

* The entity became a subsidiary with effect from October 18, 2011.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

16. Loans and advances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Loan and advances to related parties				
Unsecured, considered good				
Loan to GVK employee welfare trust	4,500	3,000	-	-
Loan to EMRI	5,473	4,777	-	-
Share application money to associate	337	209	-	-
Others	115	-	-	-
(A)	10,425	7,986	-	-
Capital advances				
Unsecured, considered good	117,924	53,386	-	-
(B)	117,924	53,386	-	-
Deposits				
Unsecured, considered good	861	1,145	3,104	893
(C)	861	1,145	3,104	893
Advances recoverable in cash or kind				
Unsecured considered good	418	463	4,373	1,022
(D)	418	463	4,373	1,022
Other loans and advances				
(Unsecured, considered good)				
Advance income-tax (net of provision for taxation)	-	-	10,675	480
Balance with statutory/government authorities	-	-	-	212
Prepaid expenses	-	-	895	651
MAT credit entitlement	6,163	3,767	1,783	285
Others	116	-	192	7
(E)	6,279	3,767	13,545	1635
(A+B+C+D+E)	135,907	66,747	21,022	3,550

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

17. Trade receivables and other assets

i) Trade receivables

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	6,810	6,327	20,972	-
Doubtful	-	-	561	-
(A)	6,810	6,327	21,533	-
Provision for doubtful receivables	-	-	(561)	-
(B)	6,810	-	20,972	-
Other receivables				
Unsecured, considered good	1,308	483	16,530	120
(C)	1,308	483	16,530	120
(A+B+C)	8,118	6,810	37,502	120

- a) Trade receivables include accruals towards reimbursement of fixed charges for the financial years 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs.4,512 (March 31, 2011: Rs.4,512) by GVKIL. The increased capital cost is subject to the approval of APERC. Pending approval of increased capital cost by APERC, the claim for reimbursement of fixed charges has not been made on AP Transco. The subsidiary company contends that it is entitled to reimbursement of fixed charges on increased capital cost under the terms of PPA and accordingly considers these amounts as good and recoverable. The subsidiary company has filed a writ petition before the High Court of New Delhi against APERC, seeking a direction to APERC to take a decision on approval of completed capital cost in a time bound manner. The matter is pending hearing. The management of the subsidiary company based on its internal assessment and legal advice is confident of receiving approval of completed capital cost.
- b) Trade receivables include amounts receivable from AP Transco towards reimbursement of minimum alternate tax under the provisions of Income Tax Act, 1961, for the period commencing from the financial year 2000-2001 up to the financial year 2010-2011, aggregating to Rs.3,530 (March 31, 2011: Rs.3,500) are refuted by AP Transco. While the subsidiary company contends that it is entitled to claim payments on account of minimum alternate taxes also under the provisions of PPA, AP Transco contends only taxes on the net taxable income under the regular provisions of the Income Tax Act, 1961 are reimbursable and not taxes levied on book profits under the deemed provisions of Section 115 JB of the Income Tax Act, 1961. Further, provision for current taxes is being made after considering reimbursable amount from AP Transco. Based on its internal assessment and legal advice, the subsidiary company's contention is that these amounts are recoverable.
- c) Trade receivables further include an amount of Rs.76 (March 31, 2011: Rs.76) being the differential interest recovered by AP Transco considering the actual working capital limits as against the working capital limits computed as per the terms of the PPA and interest rate charged as per rates available with AP Transco and not with the subsidiary Company. The subsidiary company has filed a petition under Section 9 of Arbitration & Conciliation Act 1996, and the City Civil Court of Hyderabad has restrained AP Transco from considering the lower level of working capital limits by granting a stay in the matter. The appeal filed by AP Transco before the High Court of Andhra Pradesh against the aforesaid stay, is pending disposal. The management of the subsidiary company based on its internal assessment is confident that the matter will be decided in its favour.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- d) The trade receivables include Rs.21,266 from Air India Limited (Air India) a company wholly owned by the Government of India (GOI) and its subsidiaries. Air India has been facing financial difficulties and has not been settling its dues to MIAL in time. In the plan outlay of the Union Budget 2012-13 which is awaiting approval in the Parliament, the GOI has proposed to infuse equity into Air India which has in turn communicated to MIAL that it would start paying MIAL's dues once the funds are made available by the Government. MIAL accordingly considers the dues from Air India as good and recoverable. In the event either the proposal is not approved or the payments are not made as communicated, the recoverability of the dues from Air India could be impacted.
- e) The trade receivables also include Rs.4,041 from Kingfisher Airlines Limited (Kingfisher) which has also been facing financial difficulties and has curtailed its operations recently. MIAL has an understanding under which Kingfisher is paying amounts in excess of its actual service usage and the dues from Kingfisher have been gradually reducing. Accordingly, MIAL considers the dues from Kingfisher as good and recoverable. In the event payments from Kingfisher are not received as per the understanding, the recoverability of dues from Kingfisher could be impacted.

ii) Other assets

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Unsecured, considered good				
Non-current bank balances (note 20)	1,368	449	-	-
Non-current inventory (note 19)	1,026	1,141	-	-
Unamortised expenditure				
Unamortised portion of ancillary cost of arranging the borrowings	1,667	1,490	2,601	-
Others				
Unbilled revenues	-	1,302	12,517	16,024
Interest accrued on fixed deposits	48	-	1,001	495
Advance for investments	-	-	1,400	-
Other receivables	-	-	1,199	311
	4,109	4,382	18,718	16,830

18. Current investments

	March 31, 2012	March 31, 2011
Current investments (valued at lower of cost and fair value)		
Other than trade (quoted)		
Investments in units of Mutual Funds	21,946	73,964
Certificate of Deposit	1,460	2,445
	23,406	76,409
Aggregate market value of quoted investments	23,554	77,275

19. Inventories (valued at lower of cost and net realizable value)

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Stores, spares and consumables	1,026	1,141	7,540	3,168
	1,026	1,141	7,540	3,168
Amount disclosed under non-current assets (note 17(ii))	(1,026)	(1,141)		
	-	-	7,540	3,168

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

20. Cash and bank balances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Cash and cash equivalents				
Balances with banks:				
- On current accounts			53,885	9,679
- Deposits with originally maturity of less than three months			19,382	22,020
- On unpaid dividend account			15	20
Cheques/drafts on hand			5,956	-
Cash on hand			214	75
			79,452	31,794
Other bank balances				
- Deposits with original maturity for more than 12 months	-	-	-	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	40,686	736
- Margin money deposit/security against borrowings	1,368	449	52,488	290
	1,368	449	93,174	1,026
Amount disclosed under non-current assets (note 17(ii))	(1,368)	(449)		
	-	-	172,626	32,820

21. Revenue from Operations

	March 31, 2012	March 31, 2011
Revenue from operations		
Sale of electrical energy	166,631	171,293
Sale of services		
Income from toll operations	22,384	18,916
Aeronautical	19,879	-
Non-aeronautical	31,984	-
Cargo operations	7,689	-
Manpower and consultancy services	616	1,257
	249,183	191,466

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

22. Other income

	March 31, 2012	March 31, 2011
Interest income on		
Bank deposits	3,436	156
Others	26	828
Dividend income on		
Non trade current investments	97	169
Profit on sale of investments		
Non trade current investments	3,964	1,497
Profit on sale of fixed assets (net)	12	-
Guarantee commission	1,062	71
Liabilities written back	76	26
Miscellaneous income	214	106
	8,887	2,853

23. Employee benefit expense

	March 31, 2012	March 31, 2011
Salaries, wages and bonus	7,375	3,103
Contribution to provident and other funds	333	108
Retirement and other employee benefits	158	38
Staff welfare expenses	202	100
	8,068	3,349

24. Finance costs

	March 31, 2012	March 31, 2011
Interest	44,077	25,447
Bank charges	480	867
Amortization of ancillary borrowing costs	525	-
Exchange difference to the extent considered as an adjustment to borrowing costs	1,645	-
	46,727	26,314

25. Depreciation and amortization expense

	March 31, 2012	March 31, 2011
Depreciation of tangible assets	22,555	16,672
Amortization of intangible assets	3,205	2,727
	25,760	19,399
Less: Transfer to Expenditure incurred during construction period	271	197
Less: Amount withdrawn from deferred income	596	838
	24,893	18,364

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

26. Other expenses

	March 31, 2012	March 31, 2011
Operating and maintenance expenses	3,820	392
NHAI share of toll fee	2,728	1,716
Minimum off take price for naphtha	13	10
Rent	354	244
Rates and taxes	542	499
Insurance	991	790
Repairs and maintenance:		
- Buildings	938	53
- Roads	2,318	3,082
- Plant and machinery	3,024	4,801
- Others	1,572	574
Vehicle hire charges	167	58
Electricity and water	1,602	244
Travel and conveyance	917	624
Communication	216	139
Printing and stationery	203	125
Advertisement	210	78
Bid and tender document charges	270	235
Legal and professional charges	3,075	3,061
Prompt payment rebate	3,998	4,223
Auditor's remuneration (refer note below)	17	15
Directors' sitting fee	29	25
Donation	886	657
Foreign exchange fluctuations (net)	315	399
Loss on sale of fixed assets (net)	-	1
Provision for Doubtful trade receivable	136	-
Insurance claims and assets written off	17	-
Miscellaneous expenses	1,716	502
	30,080	22,547

	March 31, 2012	March 31, 2011
As auditor:		
Audit fee	12	11
Limited Review	4	4
In other Capacity:		
Other services (certification fees)	-	-
Reimbursement of expenses	1	-
	17	15

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

27. Gratuity and other post-employment benefit plans

The Group operates one defined plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on retirement or termination at 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

A) Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	March 31, 2012	March 31, 2011
Current service cost	81	68
Interest cost on benefit obligation	54	15
Past service costs	11	79
Net actuarial(gain) / loss recognized in the year	61	(85)
Net benefit expense	207	77

B) Balance sheet

	March 31, 2012	March 31, 2011
Present value of defined benefit obligation	794	296
Past service costs	23	-
Fair value of plan assets	-	-
Net liability	817	296

C) Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2012	March 31, 2011
Opening defined benefit obligation	296	184
Obligation on transfer of employees	-	37
Opening defined benefit obligation on acquisition of subsidiary	357	
Current service cost	81	68
Interest cost	54	15
Benefits paid	(32)	(2)
Past service costs	-	79
Actuarial (gains) / losses on obligation	61	(85)
Closing defined benefit obligation	817	296

D) The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	March 31, 2012	March 31, 2011
Discount rate	8.6% p.a.	8% p.a.
Expected rate of return on assets	Not applicable	Not applicable
Employee turnover	5%	5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

28. Contingent liabilities

A) Parent Company

1. Direct and indirect taxes

- Income tax demand for assessment year 2008-09 for Rs.72.98 (March 31, 2011:Rs.72.98).
- The Company has received a notice dated February 4, 2008 from the Office of the District Registrar of Assurances, Hyderabad demanding payment of stamp duties of Rs.2,829 on transfer of shares to the shareholders of GVK Industries Limited vide the scheme of arrangement approved by the Andhra Pradesh High Court. The company has obtained an order from the Andhra Pradesh High Court staying the above notice on March 13, 2008 until such further orders from the said court.

Management based on its internal assessment and/or legal advice is confident that the cases will be decided in the Company's favour.

2. Security against loans taken by others

- The Company has pledged 73,217,647 (March 31, 2011: Nil) and 22,495,000 (March 31, 2011: Nil) shares of GVK Energy Limited and GVK Transportation Private Limited for securing loan obtained by GVK Coal (Singapore) Pte. Limited, an entity in which Company has 10% stake.
- During the year ended March 31, 2012, the Parent Company has provided security by way of corporate guarantees amounting to Rs.1,441 for securing facilities obtained by an associate (March 31, 2011: Rs.1,441) for various fund and non-fund based facilities availed by them.
- During the year ended March 31, 2012, the Company has provided security by way of corporate guarantees amounting to Rs.9,074 (March 31, 2011: 10,048) for securing loans obtained by GVK Projects and Technical Services Limited.
- During the year ended March 31, 2012, the Company has provided security by way of guarantee amounting to Rs.220,587 (March 31, 2011:Nil) for securing loans obtained by GVK Coal Developers (Singapore) Pte Limited for a facility availed by it.

Management is of the opinion that the aforesaid Companies will be able to meet their obligations as they arise and consequently no adjustment is required to be made to the carrying value of the security and guarantees provided.

B) Subsidiary companies

i) GVKIL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	128	208
Service Tax demand on operator of the power plant	759	570
Claims not acknowledged as debts	150	8

- AP Transco during the year 2003-2004 made a claim of Rs.2,048 against the subsidiary company stating that effective Return on Equity ("ROE") claimed by the subsidiary company works out to 17.17% as pointed out by Comptroller and Auditor General of India as against 16% to be claimed as per the Power Purchase Agreement ("PPA"). Aggrieved by the said claim, the subsidiary preferred a writ petition before the High Court of Andhra Pradesh and the High Court directed that the matter be referred to arbitration as envisaged in PPA. Pending arbitration, the High Court permitted the subsidiary company to collect ROE at 16% on a monthly basis which is accounted for as income and is being paid by AP Transco. If the decision is against GVKIL, the liability on this account up to March 31, 2012 would be Rs.5,078 (March 31, 2011: Rs.4,716). The subsidiary company is confident that its claim for ROE on a monthly basis is strictly in accordance with PPA.
- AP Transco has filed petition before APERC to consider interest on working capital charged by State Bank of India to its most credit worthy customers for the purpose of determining tariff for the year 2003-04. Based on these petitions, APERC has issued notices to the subsidiary company for hearing on these matters. The subsidiary company has filed a writ petition before the High Court of Andhra Pradesh questioning the jurisdiction of APERC for adjudication of matters under the PPA. The High Court of Andhra Pradesh has issued interim directions against APERC not to proceed with the subject notice until further orders.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Subsequently, in the year 2008, the Supreme Court held that all matters relating to tariff shall be adjudicated by Electricity Regulatory Commission. The subsidiary company accordingly, withdrew the writ petition and approached Andhra Pradesh Electricity Regulatory Commission (APERC) seeking directions of the Commission for adjudication of its claims. The subsidiary company is confident that the matter will be decided in its favour.

- In the year 2007, AP Central Power Distribution Company Ltd has filed a petition without specifying any amount before APERC against the subsidiary company stating that insurance premium relating to Business Interruption Policy is not eligible for reimbursement right from date of commencement of commercial operations. The subsidiary company is confident that the matter will be decided in its favour.
- As per the terms of contract with Bharat Petroleum Corporation Limited (BPCL) for supply of Naphtha, the subsidiary company has to pay for 80,000 MT @ Rs.38.45 as 'Minimum off Take charges' in the year in which there is no procurement. The subsidiary company is negotiating with BPCL to reduce the Minimum off Take quantity from 80,000 MT to 40,000 MT, which is under consideration by BPCL. Pending receipt of acceptance from BPCL, no provision is made in the books for the requested reductions of 40,000 MT, which worked out to Rs.13 (March 31, 2011 Rs.15) for the year and the liability on this account up to January 29, 2012 is Rs.105 (March 31, 2011 Rs.92). The subsidiary company is confident of receiving acceptance from BPCL. The contract with BPCL expired on January 29, 2012.
- AP State Load Despatch Centre (APSLDC) has filed petitions before the Andhra Pradesh Electricity Regulatory Commission (APERC) for appointment of adjudicating officer for assessment of charges to be levied on the Company for non adherence to backing down instructions by GVK Power and Infrastructure Limited, operator of the power plant of the subsidiary company. APSLDC has claimed an amount of Rs.1,320 for the aforesaid non- compliance. Management based on its internal assessment/ legal advice is confident that the matter will be decided in the company's favour.
- The subsidiary company approached AP Transco for new connection while constructing it's new power plant upon which AP Transco raised demand of Rs.399 towards minimum monthly charges regarding electricity connection taken earlier which was surrendered on October 7, 1996. The subsidiary company filed petition before the Andhra Pradesh Electricity Regulatory Commission (APERC) claiming levy of demand as arbitrary, which is disposed directing GVKIL to approach Consumer Grievance Redressal Cell as dispute is not connection with power purchase agreement. The GVKIL has filed a writ petition before the High Court of Andhra Pradesh contesting the matter is within ambit of PPA. The High Court of Andhra Pradesh has issued stay on demand. Management based on its internal assessment/ legal advice is confident that the matter will be decided in the company's favour.

ii) GJEPL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	1,250	1,250
Disputed income tax demands	220	1,749
Claims not acknowledged as debts	8	-

iii) AHPCL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	6,085	7,075
Claims not acknowledged as debts	7,650	5
Disputed income tax demands	32	126

iv) GVKPGSL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	4,050	4,050

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

v) GVKGPL

Particulars	March 31, 2012	March 31, 2011
Service Tax demand on operator of the power plant	312	156
Claims not acknowledged as debts	826	97

- AP State Load Despatch Centre (APSLDC) has filed petitions before the Andhra Pradesh Electricity Regulatory Commission (APEREC) for appointment of adjudicating officer for assessment of charges to be levied for non-adherence to backing down instructions by subsidiary. APSLDC has claimed an amount of Rs.290 for the aforesaid non-compliance. Management based on its internal assessment is confident that the matter will be decided in the subsidiary company's favour.

vi) GVKDPPL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	2,967	18,251

vii) GVKBVPL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	4,420	-

viii) GVKRHEPPL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	69	-

ix) GVKSDPEL

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	2,815	-

x) GVKOGL

- The subsidiary company has given seven multiple performance bank guarantee's amounting to Rs.1,178 (March 31, 2011: Rs.1,178) for seven oil blocks in favor of 'Ministry of Petroleum & Natural Gas' for a period of one year towards 35% of estimated expenditure of Minimum Work Program of the exploration phase. Management is confident of executing the minimum work program during the exploration phase, hence no provision has been made.
- The subsidiary company has received a demand notice from service tax authorities demanding service tax of Rs.82 (March 31, 2011: Rs.82) under the category "Survey and Exploration of Mineral Service" on the seismic data purchased by the subsidiary company from M/s GX Technology Corporation and M/s GGS Spectrum Limited. The subsidiary company has disputed the claim and has filed a reply to notice demanding service tax.
- During the year 2008-09, GVKOGL had purchased seismic data, which is acquired in the process of bidding, from M/s GX Technology Corporation and M/s GGS Spectrum Limited. The subsidiary company remitted Rs.617 and Rs.45 to the above parties respectively without deduction of tax, on the opinion that remittance for purchase of data is not covered u/s 195 of the Income Tax Act.

Subsequently, the Income Tax Department raised a demand aggregating to Rs.84 (March 31, 2011: Rs.84) stating that the payments made were in the nature of royalty and were subject to TDS. The subsidiary company has filed an appeal against the said notice and the case is pending before the Commissioner of Income tax (Appeals). Management of the subsidiary company is of the opinion that in the light of recent judgements, there is a high likelihood that the case will be decided in its favour.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

xi) GVKDKEPL

Particulars	March 31, 2012	March 31, 2011
On account of guarantee issued by banks	2,967	2,967

- During the previous year, the subsidiary company had received a letter from NHAI stating that the subsidiary company is liable to pay penalty amounting to Rs.157 for delay in achieving the finance closure within the stipulated time as per the concession agreement entered into with NHAI. According to the subsidiary company, the contention of NHAI is not in accordance to provisions of the concession agreement. The subsidiary company has objected to levy said penalty and is confident that the matter will be decided in its favour.

xii) GHPPL

- The subsidiary company had filed an appeal before Hon'ble High Court of Uttarakhand challenging a common judgment and order dated 8th November, 2010 passed by Single Judge on a writ petition filed by Reliance Infrastructure Limited in awarding Hydro Electric Power Project, Mapang Bogudiyar, in favor of the consortium of GVK and L & T. The Hon'ble High Court has dismissed the petition filed by the GVK vide its order dated April 27, 2012. The Court has however allowed recovery of the sum paid by GVK to the State of Uttarakhand and directed Reliance Infrastructure Limited to pay a sum of Rs.1,683 to the company after deducting Rs.1,334.

The company has preferred an appeal before the Hon'ble Supreme Court of India and the subsidiary company is of the view that the matter will be decided in its favour.

xiii) MIAL

- Claims against MIAL not acknowledged as debts:
 - a) Non-Agricultural tax amounting to Rs.6,138 (March 31, 2011: Rs.2,851) to the extent levied by the appropriate authorities on the Airport Land, of which Rs.1,166 (March 31, 2011: Rs.431) was paid under protest.
 - b) Income tax amounting to Rs.4,682 (March 31, 2011: Rs.2,743) demanded by the concerned authorities, of which Rs.200 (March 31, 2011: Rs.2,407) was adjusted / paid under protest.
 - c) Service Tax amounting to Rs.10,174 (March 31, 2011: Rs.12) demanded by the concerned authorities under Section 73, 76, 77 and 78 of the Finance Act, 1994 on development fee considered not payable based as per the advise received by the Company.
 - d) Other claims amounting to Rs.3,349 (March 31, 2011: Rs.Nil) not acknowledged as debts.
- Earlier supplier of electricity to the airport has sought certain revision in rates and arrears of short recovery with Maharashtra Electricity Regulatory Commission. The impact, if any on the company is presently not ascertainable.
- Applicability of service tax on the rent / license fee / lease being charged by the subsidiary company has been disputed by certain airlines and concessionaries who have not paid the service tax on such services and most of them have obtained stay order from various courts. However some of these concessionaires who are members of Retailers Association of India ("RAI") have deposited the arrears of Service tax due for the period prior to September 30,2011 with the court as per the order given by the Hon'ble Supreme Court . The matter is currently subjudice and necessary actions will be taken by the subsidiary company once the matter is decided by the courts. However, in the opinion of the subsidiary Company, this would not have any impact on the financial results of the subsidiary company as the same is recoverable from the said parties if it becomes payable by the subsidiary Company.

C) Associate companies (to the extent of shareholding therein)**i) SML**

Particulars	March 31, 2012	March 31, 2011
On account of guarantees issued by banks	1,180	1,180

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

ii) BIAL

Particulars	March 31, 2012	March 31, 2011
Claims against the associate company not acknowledged as debts	42	28

- The associate company has issued undertaking to Customs authorities aggregating to Rs.Nil (March 31, 2011: Rs.23) with respect to concessional rate of duty adopted for import of certain eligible equipment.
- The associate company has filed an application to get itself impleaded as one of the aggrieved party against an appeal filed by the State of Karnataka, challenging the order of the Karnataka High Court, issued in April, 2007, quashing the levy of Special Entry Tax of Rs.92 (March 31, 2011: Rs.62).
- The Income Tax Department has filed an appeal in the Karnataka High Court against the Income Tax Appellate Tribunal (ITAT) order regarding the Tax Deducted at Source (TDS) on the reimbursement of development costs to overseas promoters in 2005-2006. The associate company had earlier paid the TDS amount of Rs.255 (March 31,2011: Rs.172) under protest before getting the relief from ITAT. This was refunded to the associate company along with the interest of Rs.39 (March 31, 2011: Rs.26) as a result of favorable ITAT order. The Management of the associate company is confident of defending the tribunal order in the High Court and made appropriate legal representation in this regard.
- The associate company has received two demand orders from Commissioner of service tax for the periods 2005-2009 and 2009-10 for payment of service tax of Rs.101 (March 31, 2011: Rs.68) as a recipient of service towards reimbursement of salary costs to Zurich Airport. The interest and penalty as per the above demand orders amounts to Rs.53 and Rs.126 respectively. Further, a show cause notice has been issued for period 2010-2011 for a sum of Rs.12 on the same account. These payments relate to salaries of expatriates who were seconded to associate company. The associate company has preferred an appeal against demand orders before the Tribunal (CESTAT) and challenged the show cause notice which is not confirmed by formal demand as on the balance sheet date. The associate company has challenged the demand based on the judicial precedence on the matter and is confident of non-applicability of service tax since the payment relates to salary costs to expatriate employees of the associate company which cannot be treated as services received by the associate company. Zurich Airport is only a remitter of the foreign currency remuneration as is evidenced by expatriate remuneration reimbursement agreement between the associate company and Zurich Airport. The associate company has accounted these payments as salaries and discharged appropriate TDS as the economic employer of the said expatriates.

29. Capital and other commitments

A) Parent company

- The Company has given undertaking to infuse equity aggregating to Rs.229,590 in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations.
- During the previous year, the Company, GVK Energy Limited (subsidiary company) and certain private equity investors ('investors') have entered into an investment agreement pursuant to which the Company has undertaken to conduct an initial public offering of the GVK Energy Limited's equity shares ('Qualified IPO' or 'QIPO') within 60 months from the date of investment agreement (preferred listing period).

If the GVK Energy Limited does not make a QIPO during the preferred listing period and no offer for sale takes place within 12 months of the preferred listing period, then, at any time thereafter, the investors will have a put option with respect to all of the securities held by the Investor ("Put Right") on the Company and the GVK Energy Limited at the higher of i) 20% IRR from the date of investment to the date of receipt of proceeds from the investor ("Put IRR") and ii) the fair market value of the investor's shares.

Provided the Put IRR shall be reduced to 15% IRR, if at least 3 private sector initial public offerings with an issue size of Rs.100,000 or more each have not taken place in India between the 36th month to the 60th month from date of investment agreement.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

B) Subsidiary companies

- Estimated amounts of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs.459,903 (March 31, 2011: Rs.410,597).
- The company under the Production Sharing Contract entered into with Ministry of Petroleum and Natural Gas has given commitment towards minimum work programme in seven blocks allotted during NELP VII for exploration of oil and gas being conducted by the jointly controlled entity of the company. Similar commitment was there in the previous year also.

C) Associate companies (to the extent of shareholding therein)

Estimated amounts of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs.24,280 (March 31, 2011: Rs.99,742).

30. The subsidiary Company ("MIAL") has awarded a contract to Housing Development and Infrastructure Limited ("HDIL") to undertake activities relating to rehabilitation of slum dwellers and restoration of the Airport Land, which is currently under encroachment and as consideration, the subsidiary company has granted rights to HDIL to develop and use part of the land vacated by encroachers in a phased manner without any cost to the subsidiary company and balance land will be made available to the subsidiary company for its use. Construction of tenements by HDIL for the relocation of slum dwellers from the airport land is under progress.
31. During the year ended March 31, 2012, BIAL has demolished a portion of its fixed assets, comprising of carrying value of building aggregating Rs.152, furniture and fixtures aggregating Rs.332 and plant and equipment aggregating Rs.154 as a part of its airport expansion plan. The Management has not derecognised the carrying values of these assets on demolition and has instead transferred the carrying values of such assets to capital work – in – progress as it believes that these costs are an integral part of the new asset being constructed and hence eligible for capitalisation. BIAL has, as a matter of abundant caution, also sought an opinion from the Institute of Chartered Accountants of India ("EAC") soliciting their opinion on the appropriateness of the stated accounting treatment. Pending the opinion from EAC, BIAL currently recorded the carrying values of these demolished assets aggregating Rs.638 under Capital work – in – progress. BIAL would carry out adjustments, if any, based on the opinion from the EAC. The amounts reported in this paragraph are full amounts as reported in associate's financial statements.
32. BIAL has recognised carry forward Minimum alternate tax("MAT") credit entitlement aggregating to Rs.7,352 (March 31, 2011: Rs.3,752) as at March 31, 2012. This is based on the profitable projections of the Company for aeronautical, non aeronautical and real estate businesses; which are supported by the Concession agreement, which gives BIAL the right to operate the airport for a period of atleast 30 years from the airport opening date (i.e., May23, 2008). Accordingly, the Management believes that there will be sufficient future taxable profits to utilise the aforementioned MAT credit entitlement within the stipulated period available under the provisions of the Income-tax Act, 1961 of India, notwithstanding the fact, that the Company is entitled to a tax holiday period as per the provisions of Section 80-IA of the aforesaid Act. BIAL has, as a matter of abundant caution, also sought an opinion from the Expert Advisory Committee of the Institute of Chartered Accountants of India ("EAC") soliciting their opinion on the appropriateness of the stated accounting treatment. BIAL is awaiting the opinion from the EAC, and has currently retained the MAT credit entitlement aggregating Rs 7,352 (Previous year: Rs 3,752) under Long-term loans and advances. The Company would carry out adjustments, if any, based on the opinion from the EAC. The amounts reported in this paragraph are full amounts as reported in associate's financial statements.
33. The trade receivables of BIAL as at March 31, 2012 contain outstanding dues from a customer aggregating Rs 5,532. There appears to be significant uncertainty relating to the ability of the party to pay the debts due to the Company due to financial difficulties which have resulted in scaling down of customer's business. However, considering the national importance of the continued existence of the customer and based on the regular receipt of debts due during the year February 9, 2012 which resumed again effective April 17, 2012, the Management is confident of eventual collection of the debts due from the customer in due course. Accordingly, the Management believes that the current provision for the customer aggregating Rs.264 created in accordance with the Company's provision policy is sufficient. The amounts reported in this paragraph are full amounts as reported in associate's financial statements.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

34. Related Party Transactions

During the year ended March 31, 2012, the Company has entered into certain related party transactions. Details of the related party and transactions are as follows:

Name of the related party	Nature of relationship
MIAL * (till October 18, 2011)	Associates
BIAL*	
SML *	
Dr. G V Krishna Reddy, Chairman & Managing Director	Key management personnel
Mr. G V Sanjay Reddy, Vice Chairman and Director	
Mr. Krishna Ram Bhupal, Director	
Mr. A. Issac George, Director	
TAJ GVK Hotels & Resorts Limited	Enterprises over which the key management personnel exercise significant influence
Orbit Travels & Tours Private Limited	
Paigah House Hotel Private Limited	
GVK Novopan Industries Limited	
Pinakini Share and Stock Broker Limited	
GVK Technical & Consultancy Services Private Limited	
Krishna Enterprises	
GVK Emergency Management and Research Institute (a society registered under Societies Registration Act) (EMRI)	
GVK Foundation	
GVK Airport Foundation	
GVK Hydel Private Limited	
GVK Employee Welfare Trust	
GVK Coal Developers (Singapore) Pte Ltd	
GVK Projects & Technical Services Limited	

* Through subsidiary companies

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Details of related party transactions during the year

Particulars	GVK Projects & Technical Services Limited	GVK Technical & Consultancy Services Pvt Ltd	Pinakani Share and Stock Broker Limited	GVK Coal Developers (Singapore) Pte Ltd	TAJ GVK Hotels & Resorts Limited	Orbit Travels & Tours Private Limited	GVK Novopan Industries Limited	GVK Foundation	GVK Airport Foundation	GVK EMRI	Paigah House Hotel Private Limited
Rent	-	-	-	-	-	-	-	-	-	-	129
	-	-	-	-	-	-	-	-	-	-	(103)
Services received (Including EPC services)	58,680 (44,250)	4,310 (3,581)	27 (8)	-	80 (35)	1,436 (473)	-	-	-	-	-
Services rendered	-	-	-	1,014	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	252 (291)	272	466 (400)	-
Investment in equity	-	-	-	25	-	-	-	-	-	-	-
Advances given	57,328 (918)	154	-	-	-	-	-	-	-	-	-
Loans given	-	88	8	830	4	-	-	-	-	696	-
	-	-	-	-	-	-	-	-	-	(1,570)	-
Loans recovered	-	-	8	1,071	-	-	-	-	-	-	-
	(298)	-	-	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-	-	-	-
	(2,961)	-	-	-	-	-	-	-	-	-	-
Share application money	46,700	-	-	-	-	-	-	-	-	-	-
Corporate guarantee given	-	-	-	220,587	-	-	-	-	-	-	-
	(143)	-	-	-	-	-	-	-	-	-	-
Corporate guarantee released	974	-	-	-	-	-	(900)	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-
Shares pledged (no. of shares)	-	-	-	178,082,500	-	-	-	-	-	-	-
Shares unpledged (no. of shares)	-	-	-	82,369,853	-	-	-	-	-	-	-
Balances outstanding											
Receivables/ (Payables) - March 31, 2012	(4,285)	108	(6)	517	1	(11)	81	-	(48)	5,473	-
Receivables/ (Payables) - March 31, 2011	2,215	(1)	-	-	6	(19)	81	(39)	-	4,777	-
Corporate Guarantee	9,074 (10,048)	-	-	220,587	-	-	-	-	-	-	-
Shares pledged (no. of shares)	-	-	-	95,712,647*	-	-	-	-	-	-	-

Note: Previous year figures are in parenthesis except for receivable/(payable) at year end

*Pledge of 73,217,647 (March 31, 2011: Nil) shares of GVK Energy Limited and 22,495,000 (March 31, 2011:Nil) shares of GVK Transportation Private Limited

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Details of related party transactions during the year

Particulars	Krishna Enterprises	Seregraha Mines Limited	Mumbai International Airport Pvt. Ltd.	Bengaluru International Airport Limited	GVK Hydrel Private limited	GVK Employee welfare trust	Dr. G V Krishna Reddy	Mr. G V Sanjay Reddy	Mr. Krishna Ram Bhupal	Mr. A Issac George
Rent	24	-	-	-	-	-	-	-	31	-
	(24)	-	-	-	-	-	-	-	(31)	-
Services received (Including EPC services)	-	-	-	-	-	-	-	-	-	-
Services rendered	-	8	641	-	-	-	-	-	-	-
	-	(8)	(1,387)	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	-	-	-
	-	-	(7,400)	-	-	-	-	-	-	-
Advances given	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	44	-	1,500	-	-	-	-
	-	-	(6)	(9)	-	(2,000)	-	-	-	-
Loans recovered	-	-	-	53	2	-	-	-	-	-
	-	-	(3)	-	(2)	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Share application money	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Corporate guarantee given	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Corporate guarantee released	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	487	436	257	208
	-	-	-	-	-	-	(139)	-	(149)	(171)
Shares pledged (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Shares unpledged (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Balances outstanding										
Receivables/ (Payables) - March 31, 2012	-	-	-	-	-	4,500	(32)	(190)	(84)	-
Receivables/ (Payables) - March 31, 2011	-	4	120	9	-	3,000	-	-	-	(7)
Corporate Guarantee	-	1,441	-	-	-	-	-	-	-	-
	-	(1,441)	-	-	-	-	-	-	-	-
Shares pledged (no. of shares)	-	-	-	-	-	-	-	-	-	-

Note: Previous year figures are in parenthesis except for receivable/(payable) at year end

*Pledge of 73,217,647 (March 31, 2011: Nil) shares of GVK Energy Limited and 22,495,000 (March 31, 2011: Nil) shares of GVK Transportation Private Limited

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

35. Segment Information**Business Segments:**

The Company organized its operations into three major businesses:

- Power : Generation, Operation and Maintenance services to the power plants
- Roads : Building, development and maintenance of roads
- Airport : Operation and maintenance of airport
- Others : SEZ, Manpower, and Exploration of Oil & Gas.

Geographical Segments:

The Company operates in a single geographical segment.

Segment disclosures

Particulars	Power		Roads		Airports		Others		Eliminations		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
REVENUE												
External revenue	166,631	171,293	22,384	18,916	59,552	-	616	1,257	-	-	249,183	191,466
Inter segment revenue							628	-	(628)	-	-	-
Total revenue	166,631	171,293	22,384	18,916	59,552	-	1,244	1,257			249,183	191,466
RESULT												
Segment result	17,478	24,232	12,747	9,681	13,061	(395)	235	(1,350)	142	-	43,663	32,168
Interest expense											45,722	25,447
Interest income											3,462	984
Other income (net)											5,272	1,869
Profit Before Tax (PBT)											6,675	9,574
Income taxes											6,782	2,132
Profit/(loss) before minority interest and share of profit from associate											(107)	7,442
Share of Profit from Associate											10,639	11,093
Minority Interest											4,386	3,044
Profit for the year											6,146	15,491
OTHER INFORMATION												
Segment assets	899,903	679,413	142,605	62,305	743,350	-	28,438	27,462	-	-	1,814,296	769,180
Unallocable corporate assets											475,215	302,290
Total assets											2,289,511	1,071,470
Segment liabilities	64,399	32,034	26,014	21,102	78,766	50	33	13	-	-	169,212	53,199
Unallocable corporate liabilities											,772,162	679,593
Total liabilities											1,941,374	732,792
Capital expenditure including capital work in progress	263,123	151,684	22,736	3,996	75,198	-	3,058	11,887	-	-	364,115	167,567
Depreciation (included in segment expense)	16,515	16,451	1,374	1,904	7,004	-	-	9	-	-	24,893	18,364
Capital Employed	835,504	647,379	116,591	41,203	664,584	(50)	28,405	27,449	-	-	348,137	338,678

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

36. Operating Leases

The Group has entered into operating lease agreements for various offices and guest house for period up to 3 years. The future minimum lease payments payable under non-cancellable operating lease are as follows:

Particulars	March 31, 2012	March 31, 2011
Not later than one year	12	9
Later than one year and not later than five years	Nil	7
Later than five years	Nil	Nil

Note: The minimum lease payments are excluding service tax. No significant restrictions have been imposed by the lessors on the leases. The leases can be renewed after completion of the minimum lock in period after mutually discussing the renewal terms with the lessor.

37. Derivative Instruments and Un hedged foreign currency exposure

Particulars of derivatives:

Particulars of derivative	Purpose	March 31, 2012	March 31, 2011
Forward cover contracts outstanding at Balance Sheet date	Hedge of foreign currency transactions	Buy EURO 47 Buy CHF 9	Buy EURO 16 -

Particulars of unhedged foreign currency:

Particulars	March 31, 2012	March 31, 2011
Payables		
Loans	45,840	42,912
Creditors	3,425	1,968
Buyers credit	2,407	2,650
Other payables	527	-
Receivables		
Gaurantee commission	458	-

38. Provision for resurfacing obligation

The Group has a contractual obligation to periodically maintain, replace or restore infrastructure at the end of each five years or earlier as per the terms of the concession agreement. Movement in provision for resurfacing obligation is as follows:

Particulars	March 31, 2012	March 31, 2011
Opening balance	1,133	1,192
Additions during the year	1,133	1,133
Amount used during the year	-	(1,912)
Amounts reversed during the year	-	-
	2,266	1,133

39. During the previous year, GVKEL had made purchase of services from two companies aggregating to Rs.69 in respect of which prior approval of central government is required under the provisions of section 297 of the Companies Act 1956. The above transactions are part of normal business transactions at prevailing market prices. The company has since then applied to regulatory authorities for condonation.
40. The Reserve Bank of India ('RBI') had issued guidelines for Core Investment Companies (CIC) on January 5, 2011 pursuant to which Systematically Important Core Investment Companies (SI-CIC) are required to apply for registration with RBI within six months from the date of issue of the guidelines. The Company had applied to RBI for granting certificate of registration and is awaiting approval. As a SI- CIC, the company is required to comply with requirements of capital requirements and leverage ratios. The company is not in compliance with the aforesaid requirements and in the process of submitting an application to Reserve Bank of India for granting additional time to meet the compliance requirements. The company based on legal advice/ internal assessment believes that RBI would look favourably into the matter. Further, the Company based on legal advise/ internal assessment believes that since its income from financial assets in the year ended March 31, 2012 are less than 50% of the gross income, the Company is not a Non- Banking Financial Company in the current year.

Notes to Consolidated Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

41. The Company has applied to Central government on April 24, 2012 for waiver of excess managerial remuneration amounting to Rs.207 paid to two directors during the year beyond the limits specified in Part II of Section II (B) and Section III of Schedule XIII of the Companies Act, 1956. The Company believes that approval will be obtained in due course and would not have any material impact upon the financial statements.
42. Consequent to the amendment to Schedule XIV of the Companies Act, 1956, regarding amortization of intangible assets (toll collection rights), GJEPL has changed the basis of amortization from actual traffic for the year to projected traffic method to actual traffic revenue for the year to projected traffic revenue. Had the subsidiary company continued to use earlier method of charging depreciation profits before tax for the year would have been lower by Rs.690.
43. **Acquisition of subsidiary**
During the current year, the Company has acquired additional 13.5% stake in MIAL, thereby making it subsidiary. On acquisition of the stake in the acquired entity the excess of purchase price over the net assets acquired has been recorded as Goodwill. Transactions relating to Profit and Loss Account of the acquired entity have been included in the Consolidated Profit and Loss Account from the effective date of acquisition. Until the date of acquisition, the Company has accounted for only share of profits.

i) The interest of the company in the net assets of the acquired entity and the resultant goodwill is as given below:

	Amount
Purchase consideration	113,952
Net assets as on the date of acquisition	20,676
Goodwill	93,276

ii) Summary of post acquisition losses of the acquired entity included in the consolidated profit and loss account for the year ended March 31, 2012:

	Amount
Revenues	59,817
Expenses	53,023
	6,794

iii) The assets and liabilities of the acquired entity (excluding goodwill) included in the Consolidated Balance Sheet as at March 31, 2012

	Amount
Liabilities	563,678
Assets	763,631

44. Previous year comparatives

Till the year ended March 31, 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 March 31, 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 this year's classification.

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Auditors' Report

To

The Members of GVK Power & Infrastructure Limited

1. We have audited the attached Balance Sheet of GVK Power & Infrastructure Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash flow statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to:
 - a. note 33 of notes to the financial statements, regarding application being made by the Company to the Reserve Bank of India ('RBI') for granting time for compliance with capital requirements and leverage ratio as applicable to Systematically Important Core Investment Company more fully described therein
 - b. note 34 of notes to the financial statements, regarding application made by the Company for waiver of excess managerial remuneration amounting to Rs.207 lakhs paid to two directors in excess of limits prescribed under Schedule XIII of the Companies Act, 1956 more fully described therein.

The ultimate outcome of the above matters cannot presently be determined, pending approvals as referred to in the relevant notes to the accounts referred above and accordingly no adjustments and provision for any liability that may result has been made in the financial statements.

5. Further to our comments in the Annexure referred to above, 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 purposes 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 those books;
 - iii. 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;
 - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 March 31, 2012;
 - b) in the case of the statement of profit and loss, of the loss for the year ended on that date and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **S.R. Batliboi & Associates**
 Firm Registration Number: 101049W
 Chartered Accountants

per **Vikas Kumar Pansari**
 Partner
 Membership No.: 93649

Place: Hyderabad
 Date : May 9, 2012

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

Re: GVK Power & Infrastructure 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) (a) to (c) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) in respect of the inventories are not applicable to the Company and hence not commented upon.
- iii)
 - a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured 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 (d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
 - b) According to the information and explanation given to us, the Company has not taken 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) (e) to (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- 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 in respect of these areas.
- 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, except for services provided to one party aggregating to Rs.1,372 lakhs and services availed from one party aggregating to Rs.61 lakhs because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at 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 of the Company 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) 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 and other material statutory dues have generally been regularly deposited with the appropriate authorities except for income tax where there has been a slight delay in a few cases.
 - 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.

- c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	548	July 1,2003 to March 31, 2011	Commissioner of Central Excise and Customs – Visakhapatnam - II
Indian Stamp Act, 1899	Stamp duty	2,829	February 4, 2008	High Court of Andhra Pradesh
Income Tax Act, 1961	Income tax liability	73	Assessment year 2008-09	Commissioner of Income Tax (Appeals)- Rajahmundry

- x) The Company has no accumulated losses at the end of the financial year. The Company has incurred cash loss during the year. In the immediately preceding financial year, the Company had not incurred cash loss.
- 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 and banks. There are no dues to 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 no funds raised on short term-basis have 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 year.

For **S.R. Batliboi & Associates**
 Firm Registration Number: 101049W
 Chartered Accountants

per **Vikas Kumar Pansari**
 Partner
 Membership No.: 93649

Place: Hyderabad
 Date : May 9, 2012

Balance Sheet as at March 31, 2012

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Equity and liabilities			
Shareholders' Funds			
Share capital	3	15,792	15,792
Reserves and surplus	4	236,800	237,627
		252,592	253,419
Non-current liabilities			
Long-term borrowings	5	30	64
Long-term provisions	6	24	79
		54	143
Current liabilities			
Short-term borrowings	7	41,595	10,000
Trade payables	8	143	199
Other current liabilities	8	68	111
Short-term provisions	6	230	83
		42,036	10,393
Total		294,682	263,955
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	9	144	159
Non-current investments	10	137,106	160,733
Deferred tax assets (net)	11	27	39
Long-term loans and advances	12	40,323	32,797
Other non-current assets	13.2	32,444	8,844
		210,044	202,572
Current assets			
Current investments	14	-	888
Trade receivables	13.1	117	149
Cash and bank balances	15	1,748	310
Short-term loans and advances	12	81,961	59,828
Other current assets	13.2	812	208
		84,638	61,383
Total		294,682	263,955
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**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Profit and Loss Account for the year ended March 31, 2012

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2012	March 31, 2011
Income			
Revenue from operations	16	2,760	4,148
Other income	17	1,285	8,157
Total revenue		4,045	12,305
Expenses			
Employee benefits expense	18	655	1,278
Other expenses	19	933	2,321
Depreciation expense	20	18	9
Financial costs	21	2,493	1,495
Total expenses		4,099	5,103
Profit/(loss) before tax		(54)	7,202
Tax expenses			
Current tax		761	1,718
MAT Credit		-	(1,382)
Deferred tax		12	13
Income tax of earlier year, net		-	25
Total Tax Expense		773	374
Profit/(loss) for the year		(827)	6,828
Earnings per share (in Rs.)			
-Basic		(0.05)	0.43
-Diluted		(0.05)	0.43
Nominal value per share (in Rs.)		1	1
Weighted average number of shares			
-Basic		1,579,210,400	1,579,210,400
-Diluted		1,579,210,400	1,579,210,400
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**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Cash Flow statement for the year ended March 31, 2012

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

		March 31, 2012	March 31, 2011
A. Cash flow from operating activities			
Profit/(loss) before tax		(54)	7,202
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation expense		18	9
Profit on sale of investments		(114)	(8,012)
Interest income		(39)	-
Dividend income		-	(44)
Loss on sale of assets		-	2
Provisions no longer required written back		(23)	(2)
Interest expense		2,389	1,428
Operating profit before working capital changes		2,177	583
Movements in working capital:			
Increase/ (decrease) in trade payables, current liabilities, and provisions		(121)	23
Decrease in trade receivables		32	245
Decrease/(increase) in loans and advances		712	(1,812)
Decrease/(increase) in other current and non-current assets		(539)	307
Cash generated from/(used in) operations		2,261	(654)
Direct taxes paid (net of refunds)		(360)	(1,644)
Net cash generated from/(used in) operating activities	A	1,901	(2,298)
B. Cash flows from investing activities			
Purchase of fixed assets		(3)	(132)
Sale of fixed assets		-	1
Investments in subsidiaries		(25)	(24,996)
Proceeds from sale of investments in subsidiaries		-	45,813
Advances to subsidiaries		(36,428)	(40,861)
Refund of advance from subsidiaries		5,776	21,889
Investments in bank deposits		(1,101)	-
Purchase of current investments		(4,406)	(39,509)
Proceeds from sale of current investments		5,408	41,390
Interest received		26	-
Net cash from/(used in) investing activities	B	(30,753)	3,595

Cash Flow statement for the year ended March 31, 2012

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

		March 31, 2012	March 31, 2011
C. Cash flows from financing activities			
Proceeds from short term borrowings		46,645	15,000
Repayment of short term borrowings		(15,050)	(15,000)
Proceeds from long term borrowings		-	100
Repayment of long term borrowings		(31)	(4)
Interest paid		(2,375)	(1,462)
Net cash from/(used in) financing activities	C	29,189	(1,366)
Net increase/ (decrease) in cash and cash equivalents	(A+B+C)	337	(69)
Cash and cash equivalents at the beginning of the year		310	379
Cash and cash equivalents at the end of the year		647	310
Components of cash and cash equivalents as at			
Cash on hand		-	-
Balance with scheduled banks on current accounts		643	306
Balance with unpaid dividend accounts		4	4
	Note 15	647	310
Add: Deposit held as security against borrowings		1,101	-
Cash and bank balance as per balance sheet	Note 15	1,748	310
Summary of significant accounting policies	2.1		

* Not available for ready use by the company

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Place : Hyderabad
Date : May 9, 2012

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy
Chairman & Managing Director

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

1. Corporate information

GVK Power & Infrastructure Limited ('the Company' or 'GVKPIL') provides operating and maintenance services, manpower and consultancy services and incidental services to owners of power plants, airports etc. The Company has also acquired substantial ownership interest into power generating assets, airports, roads and companies providing infrastructure facilities.

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, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 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.

b) 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.

c) Tangible fixed assets

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

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on straight-line basis using the rates arrived at based on the useful life estimated by the Management which coincides with the rates prescribed under Schedule XIV of the Companies Act, 1956. Fixed assets individually costing Rs.0.05 or less are fully depreciated in the year of purchase.

e) Impairment

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognized in the statement of profit and loss.

f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) 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.

h) 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:

Rendering of operation and maintenance services

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in accordance with the Operation and Maintenance agreement with its customer.

Per the operations and maintenance agreements, the Company's income comprises of (a) Operating fees (b) Incentive fees and (c) Reimbursement of actual expenses. Operating fees are fixed per annum subject to escalations. The Company is also eligible to receive incentive fees, if the Actual Annual Availability and/or if the actual generation of power are higher than the defined levels.

Manpower and consultancy services

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

Interest

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

Dividends

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

Guarantee commission

Revenue is recognized on a time proportion basis taking into account the guarantee amount and the commission rate applicable.

i) 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 recognized as income or as expenses in the year in which they arise.

j) Retirement and other employee benefits

i) Retirement benefit in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the Statement of Profit and Loss of the year when the contributions are due. The company has no obligation other than the contribution payable to the provident fund.

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of each financial year.
- iv) Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.
- v) The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

k) 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 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 reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably 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.

The company recognizes MAT credit available as an asset only 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 company recognizes Minimum Alternative tax (MAT) credit as an asset in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

l) 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.

m) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

n) 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.

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

o) 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.

p) 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognise contingent liability but discloses its existence in the financial statement.

3. Share capital

	March 31, 2012	March 31, 2011
Authorised shares		
2,500,000,000 (March 31, 2011: 2,500,000,000) equity shares of Rs.1/ each	25,000	25,000
Issued, subscribed and fully paid-up shares		
1,579,210,400 (March 31, 2011: 1,579,210,400) equity shares of Rs.1 each	15,792	15,792
	15,792	15,792

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

Equity shares

	March 31, 2012		March 31, 2011	
	No.	Rs.	No.	Rs.
At the beginning of the year	1,579,210,400	1,579	1,579,210,400	1,579
Issued during the year	-	-	-	-
	1,579,210,400	1,579	1,579,210,400	1,579

b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs.1 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 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.

c) Details of shareholders holding more than 5% equity shares in the company

Name of the shareholder	March 31, 2012		March 31, 2011	
	No.	% holding	No.	% holding
G. Indira Krishna Reddy	394,994,190	25.01	435,944,190	27.61
HSBC Global Investment Funds	115,250,000	7.30	113,000,000	7.10
Vertex Infratech Private Limited	116,896,770	7.40	-	-

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash:

	March 31, 2012	March 31, 2011
	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	52,850,000	52,850,000
Equity shares allotted as fully paid-up pursuant to scheme of amalgamation	703,250,000	703,250,000
Equity shares allotted as fully paid-up pursuant to scheme of arrangement	90,462,150	90,462,150

4. Reserves and surplus

	March 31, 2012	March 31, 2011
General reserve	127	127
Securities premium account	215,935	215,935
Surplus in the statement of profit and loss		
Balance as per the last financial statements	21,565	14,737
Profit /(loss) for the year	(827)	6,828
Net surplus in the statement of profit and loss	20,738	21,565
Total reserves and surplus	236,800	237,627

5. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Term loans				
Loans from bank- vehicle loan (secured)	30	64	34	31
The above amount includes				
Secured borrowings	30	64	34	31
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(34)	(31)
Net amount	30	64	-	-

Vehicle loan from bank carries interest at 8.5% p.a. The loan is repayable in 36 monthly installments of Rs.3.15 from the date of loan, viz., January 29, 2011. The loan is secured by charge over fixed asset i.e. vehicle, for which finance is provided by the lender.

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

6. Provisions

	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provision for employee benefits				
Provision for gratuity	24	79	42	-
Provision for leave benefits	-	-	43	58
	24	79	85	58
Other provisions				
Provision for income tax (net)	-	-	145	25
	-	-	145	25
	24	79	230	83

7. Short-term borrowings

	March 31, 2012	March 31, 2011
Overdraft facility from bank (unsecured)	4,725	-
Other loans and advances- term loans from banks (secured)	21,870	10,000
Other loans and advances- term loans from banks (unsecured)	15,000	-
	41,595	10,000
The above amount includes		
Secured borrowings	21,870	10,000
Unsecured borrowings	19,725	-

- Overdraft facility is unsecured and carries interest rate of 10.85%.
- Term loan aggregating to Rs.20,000 is secured by first charge on the current assets, present and future of the Company and carries interest at base + 150 bps i.e. 11.50% per annum
- Term loan aggregating to Rs.1,870 presently carries interest of 12% per annum and secured by (i) charge on loans and advances of the Company to GVK Airport Developers Private Limited ("GVKADPL") and also loans and advances provided by GVKADPL to GVK Airport Holdings Private Limited ("GVKAHPL") and Bangalore Airport & Infrastructure Developer Private Limited ("BAIDPL") (ii) exclusive charge on shares of GVKADPL to the extent of two times of facility amount. (iii) exclusive charge on shares of GVKAHPL and BAIDPL not exceeding 30% of the shares of the Companies and the no. of shares to be pledged to be in proportion to the lenders at GVKADPL.
- Term loans aggregating to Rs.15,000 is unsecured and carries interest rate of 11.75%.

8. Trade payable and other current liabilities

	March 31, 2012	March 31, 2011
Trade payables (note 27)	143	199
Other current liabilities		
Current maturities of long-term borrowings (note 5)	34	31
Interest accrued but not due on borrowings	14	-
Unpaid dividends, Investor Education and Protection Fund will be created by unpaid dividends (as and when due)	4	4
Others	16	76
	68	111

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

9. Tangible assets (at cost)

	Furniture & fittings	Office equipment	Vehicles	Data processing equipment	Total
As at April 1, 2010	7	5	28	11	51
Additions	3	3	114	12	132
Disposals	-	-	(5)	-	(5)
As at March 31, 2011	10	8	137	23	178
Additions	-	-	-	3	3
As at March 31, 2012	10	8	137	26	181
Depreciation					
Upto April 1, 2010	4	1	6	1	12
Charge for the year	1	-	5	3	9
On Disposals	-	-	(2)	-	(2)
Upto March 31, 2011	5	1	9	4	19
Charge for the year	1	-	13	4	18
Upto March 31, 2012	6	1	22	8	37
Net Block					
As at March 31, 2011	5	7	128	19	159
As at March 31, 2012	4	7	115	18	144

10. Non-current investments

	March 31, 2012	March 31, 2011
Trade investments (at cost)		
Unquoted equity instruments		
Investment in subsidiaries		
Nil (March 31, 2011: 96,810,700) equity shares of Rs.10 each fully paid-up in GVK Jaipur Expressway Private Limited	-	27,401
250,000,000 (31 March 2011: 250,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Private Limited	25,000	25,000
250,000,000 (March 31, 2011: 250,000,000) equity shares of Rs.10 each fully paid-up in GVK Energy Limited	25,000	25,000
37,500,000 (31 March 2011: 10,000) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	3750	1
10,000 (March 31, 2011: 10,000) equity shares of Rs.10 each fully paid-up in Goriganga Hydro Power Private Limited	1	1
10,000 (March 31, 2011: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1
50,000 (March 31, 2011: 50,000) equity shares of Rs.10 each fully paid-up in GVK Oil & Gas Limited	5	5
10,000 (March 31, 2011: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	1	1
	53,758	77,410

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	March 31, 2012	March 31, 2011
Investment in equity instruments		
50,000 (March 31, 2011: Nil) equity shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte Ltd	25	-
	25	-
	53,783	77,410
Debentures (unquoted)		
83,322,610 (March 31, 2011: 83383,322,610) 0.001% Compulsory Convertible Debentures of Rs.100 each fully paid up in GVK Energy Limited	83,323	83,323
	83,323	83,323
Aggregate amount of unquoted investments	137,106	160,733

11. Deferred tax asset (net)

	March 31, 2012	March 31, 2011
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	8	6
Gross deferred tax liability	8	6
Deferred tax asset		
Provision for Gratuity	21	26
Provision for compensated absences	14	19
Gross deferred tax asset	35	45
Net deferred tax asset	27	39

12. Loans and advances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Loan and advances to related parties (note 23 & 24)				
Unsecured, considered good	37,394	29,694	81,477	58,485
Deposits				
Unsecured, considered good	6	6	-	513
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	213	461
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	-	-	80	77
Prepaid expenses	-	-	16	7
MAT credit entitlement	923	1,097	175	285
GVK employee welfare trust	2,000	2,000	-	-
	40,323	32,797	81,961	59,828

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

13. Trade receivables and other assets**13.1 Trade receivables**

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Unsecured, considered good				
Outstanding for a period not exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	117	149
	-	-	117	149

Trade receivables include dues from:

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
GVK Gautami Power Limited	-	-	-	29
Mumbai International Airport Private Limited	-	-	106	120
GVK Industries Limited	-	-	11	-

13.2. Other assets

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Unsecured, considered good				
Unbilled revenues	23	75	21	114
Share application money to subsidiaries	5,020	8,769	-	-
Receivable for sale of investment	27,401	-	-	-
Interest accrued on fixed deposits	-	-	13	-
Other receivables	-	-	507	94
Unamortised portion of ancillary cost of arranging the borrowings	-	-	271	-
	32,444	8,844	812	208

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

14. Current investments

	March 31, 2012	March 31, 2011
Current investments (valued at lower of cost and fair value)		
Quoted mutual funds- other than trade		
Nil (31 March 2011: 7,656) units of Rs.1,000 each fully paid-up of Religare Ultra Short Term Fund – Growth plan	-	100
Nil (31 March 2011: 9,338) units of Rs.1000 each fully paid-up of Templeton India Treasury Management Institutional Plan	-	139
Nil (31 March 2011: 13,005) units of Rs.1,000 each fully paid-up of Taurus Ultra Short Term Bond Fund - Retail Growth	-	149
Nil (31 March 2011: 5,000,000) units of Rs.10 each fully paid-up of Taurus Fixed Maturity Plan 120 Days Growth Series	-	500
	-	888
Aggregate market value of quoted investments	-	904

15. Cash and bank balances

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Cash and cash equivalents				
Balances with banks:				
– On current accounts	-	-	643	306
– On unpaid dividend account	-	-	4	4
	-	-	647	310
Other bank balances				
Deposit held as security against borrowings	-	-	1,101	-
	-	-	1,101	-
	-	-	1,748	310

16. Revenue from operations

	March 31, 2012	March 31, 2011
Revenue from operations		
Sale of services		
– Operation and maintenance services	1,516	2,891
- Manpower and consultancy services	1,244	1,257
	2,760	4,148

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

17. Other income

	March 31, 2012	March 31, 2011
Dividend income on		
Current investments	-	44
Profit on sale of investments		
Current investments	114	328
Long-term investments	-	7,684
Liabilities written back	70	23
Guarantee commission	1,062	78
Interest on		
Bank Deposits	13	-
Others	26	-
	1,285	8,157

18. Employee benefit expense

	March 31, 2012	March 31, 2011
Salaries, wages and bonus	590	1,099
Contribution to provident fund	44	71
Retirement and other employee benefits	-	74
Staff welfare expenses	21	34
	655	1,278

19. Other expenses

	March 31, 2012	March 31, 2011
Rent	17	53
Communication costs	34	87
Travelling and conveyance	102	223
Operating and maintenance expenses	157	305
Repairs and maintenance – others	29	35
Legal and professional fees	247	945
Rates and taxes	64	75
Printing and stationery	33	58
Insurance	11	5
Payment to auditor (note below)	17	15
Donations	-	130
Directors' sitting fees	11	11
Expenses for manpower services	145	164
Bid and tender document charges	2	123
Miscellaneous Expenses	64	92
	933	2,321

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Payment to auditor (including service tax)

	March 31, 2012	March 31, 2011
As auditor:		
Audit fee	12	11
Limited Review	4	4
In other Capacity:		
Other services(certification fees)	0	0
Reimbursement of expenses	1	-
	17	15

20. Depreciation expense

	March 31, 2012	March 31, 2011
Depreciation of tangible assets	18	9

21. Finance costs

	March 31, 2012	March 31, 2011
Interest	2,389	1,428
Amortization of ancilliary borrowing costs	54	-
Bank charges	50	67
	2,493	1,495

22. Gratuity benefit

The company operates one defined benefit plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on retirement or termination at 15 days of last drawn salary for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

A) Statement of profit and loss

Net employee benefit expense recognized in the employee cost*

	March 31, 2012	March 31, 2011
Current service cost	13	18
Interest cost on benefit obligation	6	7
Past service costs	-	24
Net actuarial(gain) / loss recognized in the year	(32)	(55)
Net benefit expense	(13)	(6)

* During the previous year, the Company has transferred certain employees to its subsidiary GVK Energy Limited pursuant to which liability of Rs.30 was transferred to aforesaid subsidiary.

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

B) Balance sheet

	March 31, 2012	March 31, 2011
Present value of defined benefit obligation	66	79
Fair value of plan assets	-	-
Net liability	66	79

C) Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2012	March 31, 2011
Opening defined benefit obligation	79	85
Current service cost	13	18
Interest cost	6	7
Past service costs	-	24
Actuarial (gains) / losses on obligation	(32)	(55)
Closing defined benefit obligation	66	79

D) The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

	March 31, 2012	March 31, 2011
Discount rate	8.6% p.a.	8% p.a.
Expected rate of return on assets	Not applicable	Not applicable
Employee turnover	5%	5%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

E) Amounts for the current and previous four periods are as follows:

	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Gratuity					
Defined benefit obligation	66	79	85	64	55

23. 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****Subsidiaries**

GVK Industries Limited
 GVK Jaipur Expressway Private Limited
 Alaknanda Hydro Power Company Limited
 GVK Airport Developers Private Limited
 GVK Coal (Tokisud) Company Private Limited
 Goriganga Hydro Power Private Limited
 GVK Power (Goindwal Sahib) Limited

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

GVK Perambalur SEZ Private Limited
 GVK Oil & Gas Limited
 GVK Developmental Projects Private Limited
 GVK Energy Limited
 GVK Gautami Power Limited
 GVK Airport Holdings Private Limited
 GVK Transportation Private Limited
 GVK Ratle Hydro Electrical Projects Private Limited
 GVK Energy Venture Private Limited
 GVK Bagodara Vasad Expressway Private Limited
 GVK Deoli Kota Expressway Private Ltd
 Bangalore Airport & Infrastructure Developers Private Limited
 Mumbai International Airport Private Limited (effective October 18, 2011)
 GVK Power (Khadur Sahib) Private Limited
 GVK Airports International Pte Ltd
 GVK Shivpuri Dewas Expressway Private Limited (effective October 18, 2011)

b) Associates

Mumbai International Airport Private Limited (upto October 17, 2011)
 Bangalore International Airport Limited
 Seregraha Mines Limited

c) Key management personnel

Dr. G V Krishna Reddy, Chairman & Managing Director
 Mr. G V Sanjay Reddy, Director
 Mr A Issac George, Director
 Mr Krishna Ram Bhupal, Director

d) Enterprises over which the key management personnel exercise significant influence

TAJ GVK Hotels & Resorts Limited
 Orbit Travels & Tours Private Limited
 GVK Technical & Consultancy Services Private Limited
 Pinakini Share and Stock Broker Limited
 GVK Projects and Technical Services Limited
 GVK Foundation
 GVK Employee Welfare Trust
 GVK Coal Developers (Singapore) Pte Ltd

GVK Power & Infrastructure Limited

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Details of related party transactions during the year

Particulars	GVK Industries Limited	GVK Gautami Power Limited	Mumbai International Airport Private Limited	GVK Jaipur Expressway Private Limited	Alakananda Hydro Power Company Limited	Goriganga Hydro Power Private Limited	GVK Power (Goindwal Sahib) Limited	GVK Airport Developers Private Limited	GVK Ratle Hydro Electrical Projects Private Limited	GVK Transportation Private Limited	GVK Airport Holdings Private Limited	GVK Coal (Tokisud) Company Private Limited	GVK Projects and Technical Services Limited	GVK Perambalur SEZ Private Limited
Transactions during the year														
Fees for services rendered/ interest income (including service tax)	- (734)	810 (828)	1,372 (1,387)	-	-	-	-	-	-	-	-	-	73 (71)	-
Reimbursement of expenses (Billable expenses)	- (612)	706 (724)	-	-	-	-	-	-	-	-	-	-	-	-
Services received	157 (164)	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	(24,800)	-	3,749 (1)	-	-	-	-
Loans taken	5,054 (3)	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	5,053 (3)	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans/advance given	175 -	-	2 (4)	-	4 (28)	365 (4,333)	3 -	27,947 (10,249)	77 (3,574)	5,419 (191)	-	-	-	336 -
Loans/ advance recovered	177 -	-	(3)	-	4 (28)	(3,851)	2 (500)	4,995 (482)	2 -	178 -	-	(1,023)	-	-
Share application money given	-	-	-	-	-	-	-	-	-	(3,769)	-	(442)	-	(1,020)
Share application money refunded	-	-	-	-	(2,370)	-	(6,800)	-	-	-	-	(442)	-	-
Shares Buyback (in no.)	(17,200,000)	-	-	(7,692,300)	-	-	-	-	-	-	-	-	-	-
Allotment of Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	32 -	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given	- (13,984)	-	-	-	8,585	-	-	-	8,600	52,900	-	-	-	(143)
Guarantees released	10,550 -	156 (13,539)	-	-	-	-	(18,450)	77,265	-	-	(8,800)	-	974	-
Investments pledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments unpledged (no. of shares)	(68,120,000)	(219,259,805)	-	(53,296,530)	(140,250,000)	-	(122,425,500)	(178,560,000)	-	-	-	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	27,401	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding														
Receivables/(Payables) - March 31, 2012	10	28	106	-	-	4,674	1	81,437	3,649	32,854	-	0	30	11,637
Receivables/(Payables) - March 31, 2011	97	104	120	-	-	4,309	-	58,485	3,574	3,960	-	-	34	11,301
Corporate Guarantee	3,434 (13,984)	1,305 (1,461)	-	-	8,585	-	4,050 (4,050)	- (77,265)	8,600	52,900	-	-	9,074 (10,048)	-
Pledge of Investment (no. of shares)	-	-	-	-	-	-	-	180,000,000 (180,000,000)	-	-	-	-	-	-

Notes:

a) Previous year figures are in parenthesis except for receivable/(payable) at year end

b) Refer note 26 for equity commitments.

c) *Pledge of 73,217,647 (March 31, 2011: Nil) shares of GVK Energy Limited and 22,495,000 (March 31, 2011: Nil) shares of GVK Transportation Private Limited

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Details of related party transactions during the year

Particulars	GVK Developmental Projects Private Limited	GVK Energy Limited	GVK Oil & Gas Limited	Bangalore International Airport Limited	GVK Technical & Consultancy Services Private Limited	Pinakani Share and Stock Broker Limited	Taj GVK Hotels & Resorts Limited	Orbit Travel & Tours Private Limited	Seregraha Mines Limited	GVK Employee Welfare Trust	GVK Coal Developers (Singapore) Pte Ltd	GVK Foundation	Dr. G V Krishna Reddy	Mr. A. Issac George
Transactions during the year														
Fees for services rendered/ interest income (including service tax)	-	1	-	-	-	-	-	-	8	-	1,014	-	-	-
	-	-	-	-	-	-	-	-	(8)	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(78)	-	-	-	-	-	-	-	-	-	-	-	-
Services received	-	-	-	-	61	14	17	219	-	-	-	-	-	-
	-	-	-	-	(89)	(5)	(11)	(128)	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	-	-	-	25	-	-	-
	-	(24,995)	-	-	-	-	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans/advance given	0	-	2,275	44	-	8	-	-	-	-	830	-	-	-
	(96)	(3,201)	(13,878)	(9)	-	-	-	-	-	(1,000)	-	-	-	-
Loans/ advance recovered	-	-	594	53	-	8	-	-	-	-	1,071	-	-	-
	(4)	(3,390)	(3,000)	-	-	-	-	-	-	-	-	-	-	-
Share application money given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share application money refunded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shares Buyback (in no.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allotment of Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(83,323)	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-	220,587	-	-	-
	-	-	(1,178)	-	-	-	-	-	-	-	-	-	-	-
Guarantees released	10,084	-	-	-	-	-	-	-	-	-	-	-	-	-
	(16,749)	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments pledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	178,082,500	-	-	-
Investments unpledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	82,369,853	-	-	-
Sale of Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(118,051)	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	-	152	168
	-	-	-	-	-	-	-	-	-	-	-	-	(139)	(135)
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	(130)	-	-
Balances outstanding														
Receivables/(Payables) - March 31, 2012	94	1	16,906	-	(1)	-	-	(2)	-	2,000	517	-	-	-
Receivables/(Payables) - March 31, 2011	94	47	15,225	9	(1)	-	-	(10)	4	2,000	-	-	-	(7)
Corporate Guarantee	8,167	-	1,178	-	-	-	-	-	1,441	-	220,587	-	-	-
	(18,251)	-	(1,178)	-	-	-	-	-	(1,441)	-	-	-	-	-
Pledge of Investment (no. of shares)	-	-	-	-	-	-	-	-	-	-	95,712,647*	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:
a) Previous year figures are in parenthesis except for receivable/(payable) at year end
b) Refer note 26 for equity commitments.
c) *Pledge of 73,217,647 (March 31, 2011: Nil) shares of GVK Energy Limited and 22,495,000 (March 31, 2011: Nil) shares of GVK Transportation Private Limited

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

24. Details of Loan given to subsidiaries, associates, parties in which directors are interested

Subsidiaries

i) GVK Oil & Gas Limited

Balance as at March 31, 2012 Rs.16,906 (March 31, 2011: Rs.15,225)

Maximum amount outstanding during the year was Rs.16,906 (March 31, 2011: Rs.15,225)

The aforesaid loan is repayable on demand

ii) GVK Perambalur SEZ Private Limited

Balance as at March 31, 2012 Rs.6,638 (March 31, 2011: Rs.6,302)

Maximum amount outstanding during the year was Rs.6,638 (March 31, 2011:Rs.6,302)

The aforesaid loan is repayable on demand

iii) Goriganga Hydro Power Private Limited

Balance as at March 31, 2012 Rs.4,674 (March 31, 2011: Rs.4,309)

Maximum amount outstanding during the year was Rs.4,674 (March 31, 2011: Rs.4,309)

The aforesaid loan is repayable on demand

iv) GVK Airport Developers Private Limited

Balance as at March 31, 2012 Rs.81,437 (March 31, 2011: Rs.58,485)

Maximum amount outstanding during the year was Rs.83,894 (March 31, 2011: Rs.83,285)

The aforesaid loan is repayable on demand

v) GVK Developmental Projects Private Limited

Balance as at March 31, 2012 Rs.92 (March 31, 2011: Rs.92)

Maximum amount outstanding during the year was Rs.92 (March 31, 2011: Rs.95)

The aforesaid loan is repayable on demand

vi) GVK Transportation Private Limited

Balance as at March 31, 2012 Rs.32,854 (March 31, 2011: Rs.191)

Maximum amount outstanding during the year was Rs.38,147 (March 31, 2011: Rs.191)

The aforesaid loan is repayable on demand

vii) GVK Rattle Hydro Electrical Projects Private Limited

Balance as at March 31, 2012 Rs.3,649 (March 31, 2011: Rs.3,574)

Maximum amount outstanding during the year was Rs.3,650 (March 31, 2011:Rs.3,574)

The aforesaid loan is repayable on demand

viii) Alakananda Hydro Power Company Limited

Balance as at March 31, 2012 Rs.Nil (March 31, 2011: Rs.Nil)

Maximum amount outstanding during the year was Rs.3 (March 31, 2011:Rs.28)

The aforesaid loan was repayable on demand

ix) GVK Power (Goindwal Sahib) Limited

Balance as at March 31, 2012 Rs.Nil (March 31, 2011: Rs.Nil)

Maximum amount outstanding during the year was Rs.Nil (March 31, 2011:Rs.500)

The aforesaid loan was repayable on demand

x) GVK Coal (Tokisud) Company Private Limited

Balance as at March 31, 2012 Rs.Nil (March 31, 2011: Rs.Nil)

Maximum amount outstanding during the year was Rs. Nil (March 31, 2011:Rs.1,023)

The aforesaid loan was repayable on demand

xi) GVK Energy Limited

Balance as at March 31, 2012 Rs.Nil (March 31, 2011: Rs.Nil)

Maximum amount outstanding during the year was Rs. Nil (March 31, 2011:Rs.3,279)

The aforesaid loan was repayable on demand

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

25. Contingent liabilities

a. Direct and indirect taxes:

- i) Income tax demand for assessment year 2008-09 for Rs.73 (March 31, 2011:Rs.73).
- ii) The Company had received a notice dated February 4, 2008 from the Office of the District Registrar of Assurances, Hyderabad demanding payment of stamp duties of Rs.2,829 on transfer of shares to the shareholders of GVK Industries Limited vide the scheme of arrangement approved by the Andhra Pradesh High Court. The Company has obtained an order from the Andhra Pradesh High Court staying the above notice on March 13, 2008 until such further orders from the said court.

Management based on its internal assessment and/or legal advice is confident that the cases will be decided in the Company's favour.

b. Security against loans taken by others

- i) During the year ended March 31, 2012, the Company has provided security by way of pledge of 180,000,000 (March 31, 2011: 180,000,000) shares of GVK Airport Developers Private Limited for loan taken by the aforesaid subsidiary. Further, the Company has pledged 73,217,647 (March 31, 2011: Nil) and 22,495,000 (March 31, 2011: Nil) shares of GVK Energy Limited and GVK Transportation Private Limited respectively for securing loan obtained by GVK Coal (Singapore) Pte. Ltd, an entity in which Company has 10% stake.
- ii) During the year ended March 31, 2012, the Company has provided security by way of corporate guarantees amounting to Rs.88,220 (March 31, 2011: Rs.116,188) to subsidiaries and Rs.1,441 to an associate (March 31, 2011: Rs.1,441) for various fund and non-fund based facility availed by them.
- iii) During the year ended March 31, 2012, the Company has provided security by way of corporate guarantees amounting to Rs.9,074 (March 31, 2011: 10,048) for securing loans obtained by GVK Projects and Technical Services Limited.
- iv) During the year ended March 31, 2012, the Company has provided security by way of corporate guarantee amounting to Rs.220,587 (March 31, 2011:Nil) to GVK Coal Developers (Singapore) Pte Ltd for a facility availed by it.

Management is of the opinion that the aforesaid Companies will be able to meet their obligations as they arise and consequently no adjustment is required to be made to the carrying value of the security and guarantees provided.

26. Capital and other commitments

- a) The Company has outstanding equity commitments to fund subsidiaries under construction stage aggregating to Rs.29,565 (March 31, 2011: Rs.87,474).
- b) The company has given undertaking to infuse equity aggregating to Rs.229,590 in GVK Coal Developers (Singapore) Pte. Ltd, towards shortfall, if any, of its loan repayment obligations.
- c) During the previous year, the Company, GVK Energy Limited (subsidiary Company) and certain private equity investors ('investors') had entered into an investment agreement pursuant to which the Company has undertaken to conduct an initial public offering of the GVK Energy Limited's equity shares ('Qualified IPO' or 'QIPO') within 60 months from the date of investment agreement (preferred listing period).

If the GVK Energy Limited does not make a QIPO during the preferred listing period and no offer for sale takes place within 12 months of the preferred listing period, then, at any time thereafter, the investors will have a put option with respect to all of the securities held by the Investor ("Put Right") on the Company and the GVK Energy Limited at the higher of i) 20% IRR from the date of investment to the date of receipt of proceeds from the investor ("Put IRR") and ii) the fair market value of the investor's shares. Provided the Put IRR shall be reduced to 15% IRR, if at least 3 private sector initial public offerings with an issue size of Rs.100,000 or more each have not taken place in India between the 36th month to the 60th month from date of investment agreement.

The Company believes that the subsidiary Company would be able to successfully conduct QIPO in the preferred listing period.

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

27. 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, 2012 or March 31, 2011.

28. Unhedged foreign currency exposure

Particulars	Amount
Receivable	Rs.458 (March 31, 2011 : Nil)

29. Operating leases

The Company has entered into commercial leases which are in the nature of operating lease agreements for office spaces for period up to 3 years. There are no restrictions placed upon the company by entering into these leases. Further there are no renewal or escalation clauses in the lease.

Future minimum lease payments payable under non-cancellable operating lease are as follows:

Particulars	March 31, 2012	March 31, 2011
Not later than one year	12	6
Later than one year but not later than five years	-	-
Later than five years	-	-

Note: The minimum lease payments are excluding service tax

30. Expenditure in foreign currency (accrual basis):

	March 31, 2012	March 31, 2011
Travel	-	49
Legal and professional fees	-	550
	-	599

31. Earnings in foreign currency (accrual basis):

	March 31, 2012	March 31, 2011
Guarantee commission	989	-
	989	-

32. 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.

33. The Reserve Bank of India ('RBI') had issued guidelines for Core Investment Companies (CIC) on January 5, 2011 pursuant to which Systematically Important Core Investment Companies (SI-CIC) are required to apply for registration with RBI within six months from the date of issue of the guidelines. The Company had applied to RBI for granting Certificate of Registration and is awaiting approval. As a SI-CIC, the Company is required to comply with requirements of capital requirements and leverage ratios. The Company is not in compliance with the aforesaid requirements and in the process of submitting an application to

Notes to Accounts

(All amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Reserve Bank of India for granting additional time to meet the compliance requirements. The Company based on legal advice/ internal assessment believes that RBI would look favourably into the matter. Further, the Company based on legal advise/ internal assessment believes that since its income from financial assets in the year ended March 31, 2012 are less than 50% of the gross income, the Company is not a Non- Banking Financial Company in the current year.

34. The Company has applied to Central government on April 24, 2012 for waiver of excess managerial remuneration amounting to Rs.207 paid to two directors during the year beyond the limits specified in Part II of Section II (B) and Section III of Schedule XIII of the Companies Act, 1956. The Company believes that approval will be obtained in due course and would not have any material impact upon the financial statements.

35. The financial statements contain certain amounts reported as "0" which are less than Rs.1.

36. Previous year figures

Till the year ended March 31, 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 March 31, 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 this year's classification.

As per our report of even date

For **S. R. Batliboi & Associates**
Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

per **Vikas Kumar Pansari**
Partner
Membership No. 93649

Dr. G V Krishna Reddy
Chairman & Managing Director

Place : Hyderabad
Date : May 9, 2012

A Issac George
Director & CFO

P. V. Rama Seshu
GM & Company Secretary

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GVK POWER & INFRASTRUCTURE LIMITED

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003.

ATTENDANCE SLIP

I/we hereby record my/our presence at the 18th Annual General Meeting held on Wednesday, the August 8, 2012 at 11.30 a.m. at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500073.

Name of the Shareholder/Proxy* _____

No. of Shares Held: _____

FOLIO NO.

CLIENT ID:

DP ID:

SIGNATURE OF THE
SHAREHOLDER/PROXY*

*Strike out whichever is not applicable

- Notes:
1. Shareholder/Proxy intending to attend the meeting must bring the duly signed Attendance Slip to the Meeting and handover at the entrance.
 2. Shareholder/Proxy should bring his/her copy of the Annual Report.
 3. **No gifts / gift coupons will be distributed at the Annual General Meeting.**



GVK POWER & INFRASTRUCTURE LIMITED

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003.

PROXY

I/We _____ of _____

in the District of _____ being a Member(s) of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us and on my/ our behalf at the 18th Annual General Meeting of the Company to be held on Wednesday, the August 8, 2012 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

FOLIO NO.

CLIENT ID:

DP ID:

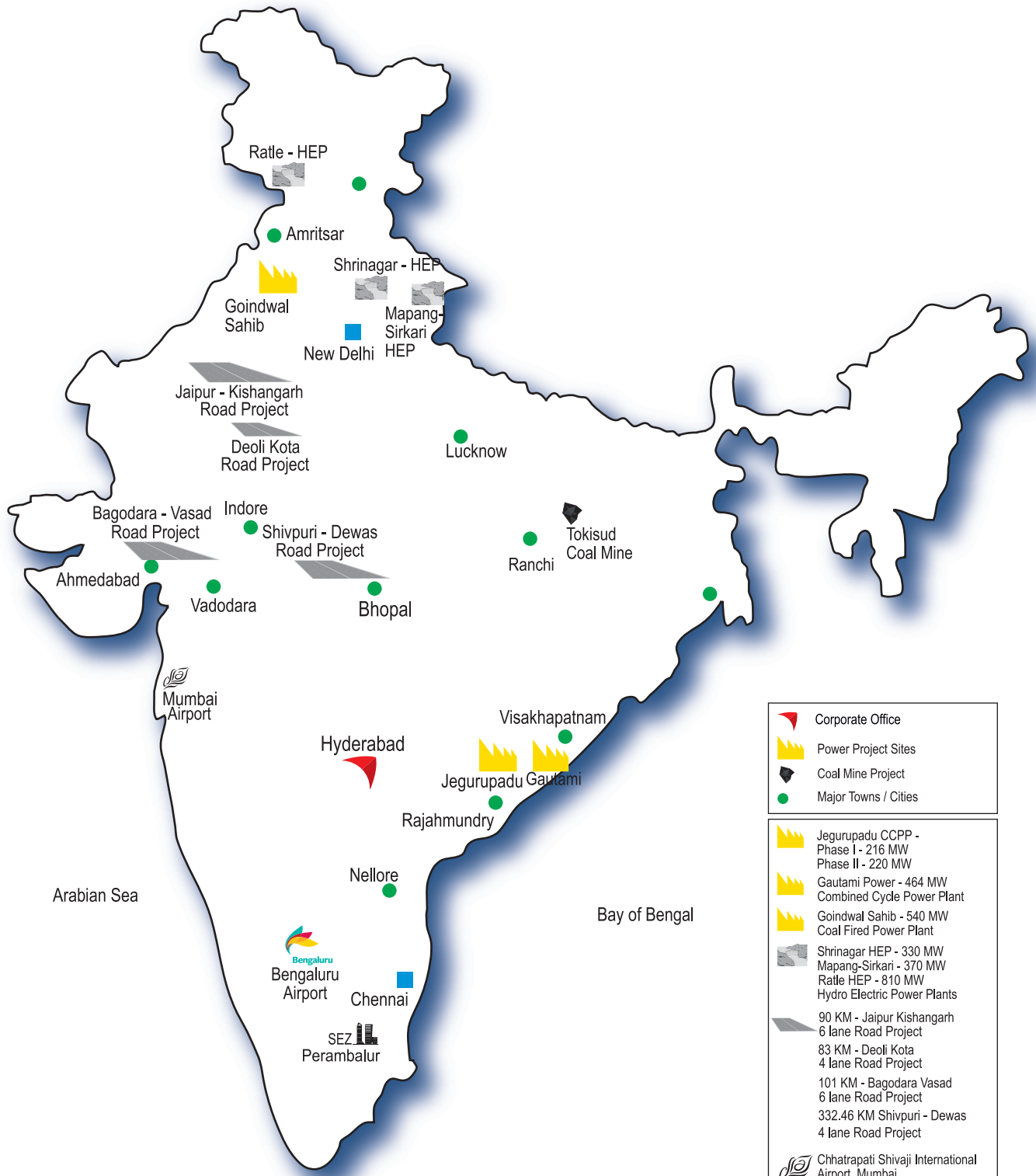
No. of Shares: _____

Signature: _____












Note: The Proxy in order to be effective must reach duly filled in at least 48 (forty-eight) hours before the commencement of the aforesaid meeting.

Affix
Re.1/-
Revenue
Stamp

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-  Corporate Office
-  Power Project Sites
-  Coal Mine Project
-  Major Towns / Cities

-  Jegurupadu CCPP - Phase I - 216 MW Phase II - 220 MW
-  Gautami Power - 464 MW Combined Cycle Power Plant
-  Goindwal Sahib - 540 MW Coal Fired Power Plant
-  Shrinagar HEP - 330 MW Mapang-Sirkari - 370 MW Rattle HEP - 810 MW Hydro Electric Power Plants
-  90 KM - Jaipur Kishangarh 6 lane Road Project
-  83 KM - Deoli Kota 4 lane Road Project
-  101 KM - Bagodara Vasad 6 lane Road Project
-  332.46 KM Shivpuri - Dewas 4 lane Road Project
-  Chhatrapati Shivaji International Airport, Mumbai Public-Private Partnership
-  Bengaluru International Airport, Bengaluru
-  GVK Perambalur (SEZ)

Map not to scale

Saving lives every day!

GVK EMRI, a CSR initiative of GVK...



If undelivered, please return to:



GVK Power & Infrastructure Limited
"Paigah House", 156-159, Sardar Patel Road
Secunderabad - 500 003, India.
Phone: 040 - 2790 2663 / 64
Fax: 040 - 2790 2665