



New Terminal 2, MIAL, Mumbai



New Terminal 1A, KIAL, Bengaluru



Alakananda HEP, Srinagar



GVK Deoli-Kota Expressway



GVK Power (Goindwal Sahib) Limited

Contents

Board of Directors and Corporate information	3
Gist of Standalone Accounts	4
Notice of Annual General Meeting	5
Directors Report	18
Report on Corporate Governance	44
Management Discussion & Analysis	58
Independent Auditor's Report on Consolidated Accounts	65
Consolidated Balance Sheet, Profit & Loss Account	76 & 77
Consolidated Cash Flow Statement	78 & 79
Notes to Consolidated Accounts	80
Independent Auditor's Report on Standalone Accounts	137
Standalone Balance Sheet, Profit & Loss Account	142 & 143
Standalone Cash Flow Statement	144 & 145
Notes to Standalone Accounts	146
Green Initiative on Corporate Governance	172 & 173
Attendance Slip & Proxy Form	175 & 176

In support of the green initiatives of the Central Government and also to save trees, we sincerely urge and request the shareholders to compulsorily register their E-mail ID (as per the form provided in page no. 173) with the company/RTA. Please join us in this endeavour to reduce the usage of paper.

SAVE PAPER . . . SAVE TREES . . .

Corporate Information

Board of Directors

Dr. GVK Reddy	Chairman & Managing Director
G V Sanjay Reddy	Vice Chairman
Krishna Ram Bhupal	Director
A Issac George	Director & CFO
Ch G Krishna Murthy	Independent Director
S Balasubramanian	Independent Director
S Anwar	Independent Director
K Balarama Reddi	Independent Director (w.e.f. 14.11.2014)
Santha K John	Independent Director (w.e.f.31.03.2015)
P V Rama Seshu	General Manager & Company Secretary

Committees of the Board

Audit Committee

Ch G Krishna Murthy	Chairman
S Balasubramanian	
K Balarama Reddi	

Nomination & Remuneration Committee

S Anwar	Chairman
K Balarama Reddi	
Ch G Krishna Murthy	

Stakeholders Relationship Committee

Ch G Krishna Murthy	Chairman
A Issac George	
S Anwar	

Corporate Social Responsibility Committee

G V Sanjay Reddy	Chairman
K Balarama Reddi	
Ch G Krishna Murthy	

Statutory Auditors

S R Batliboi & Associates LLP
The Oval Office, 18, ILabs Centre
Hitech City, Madhapur
Hyderabad – 500 081

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad – 500 032

Secretarial Auditor
M/s Narender & Associates
CP No.: 5024
Company Secretaries
403, Naina Residency
Srinivasa Nagar (East)
Ameerpet, Hyderabad – 500 038

Internal Auditors
M/s Rambabu & Co.,
Regd. No.: 002976S
Chartered Accountants
31, Pancom Chambers
Somajiguda, Raj Bhavan Road
Hyderabad - 500 082

Registered & Corporate Office
“Paigah House” 156-159
Sardar Patel Road
Secunderabad – 500 003

ISIN
INE251H01024

Stock Code
BSE : 532708
NSE : GVKPIL

CIN
L74999AP2005PLC059013

Financials at a glance

(Rs.Lakhs)

	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Financial Performance				
Operational Income	2,628	2,676	304,965	282,093
EBIDTA	(5,883)	2,007	81,772	100,595
Other Income	1,804	3,243	8,665	12,066
Interest & Financial Charges	7,685	5,799	147,362	96,452
Depreciation	30	18	70,555	43,771
Profit After tax	(12,983)	(2,343)	(83,468)	(36,868)
EPS (Rupees)				
Basic and Diluted	(0.82)	(0.15)	(5.29)	(2.23)
Financial Position:				
Fixed Assets (Net of depreciation)	79	109	2,398,888	2,236,641
Cash and Bank balance	891	1,661	149,551	181,347
Net current assets	4,510	34,285	(512,978)	(208,279)
Total Assets	313,917	301,911	3,285,303	3,202,375
Equity	15,792	15,792	15,792	15,792
Reserves	219,070	232,053	178,076	262,026
Net worth	234,862	247,845	193,868	277,818
Market Capitalisation	139,602	174,502	139,602	174,502

Notice

Notice is hereby given that the 21st Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999AP2005PLC059013) will be held on Thursday, the 13th August, 2015 at 11:30 a.m. at Sri Satya Sai Nigamagamam, 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 31st March, 2015 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 G V Sanjay Reddy (DIN 00005282), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s. S R Batliboi & Associates LLP, (ICAI 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

4. To consider and, if thought fit, to pass with or without modification(s),the following resolution as an Ordinary Resolution:

“RESOLVED THAT the term of office of K Balarama Reddi (DIN: 00012884) who was appointed during the year as an Additional Director (Independent) of the Company expires at this AGM and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors, approval of the Shareholders be and is hereby accorded to his appointment as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 13th February, 2015 to 12th February, 2020 u/s 149(10), 150(2), 152(2) and Schedule IV of Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014 and the amended Clause 49 of the Listing Agreement with the Stock Exchanges.”

“RESOLVED FURTHER THAT P V Rama Seshu, General Manager & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution.”
5. To consider and, if thought fit, to pass with or without modification(s),the following resolution as an Ordinary Resolution:

“RESOLVED THAT the term of office of Santha K John (DIN: 00848172) who was appointed during the year as an Additional Director (Independent) of the Company expires at this AGM and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors, approval of the Shareholders be and is hereby accorded to her appointment as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from 31st March, 2015 to 30th March, 2020 u/s 149(10), 150(2), 152(2) and Schedule IV of Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014 and the amended Clause 49 of the Listing Agreement with the Stock Exchanges.”

“RESOLVED FURTHER THAT P V Rama Seshu, General Manager & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution.”
6. To consider and, if thought fit, to pass with or without modification(s),the following resolution as an Ordinary Resolution:

“RESOLVED THAT based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors, approval of the Shareholders be and is hereby accorded to fix the period of appointment of Ch. G Krishna Murthy (DIN - 01667614) the existing Independent Director of the Company for a term of 5 (five) consecutive years from 13th February, 2015 to 12th February, 2020 u/s 149(10), 150(2), 152(2) and Schedule IV of Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014 and the amended Clause 49 of the Listing Agreement with the Stock Exchanges.”

“RESOLVED FURTHER THAT P V Rama Seshu, General Manager & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors, approval of the Shareholders be and is hereby accorded to fix the period of appointment of S Balasubramanian (DIN:02849971) the existing Independent Director of the Company for a term of 5 (five) years from 13th February, 2015 u/s 149(10), 150(2), 152(2) and Schedule IV of Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014 and the amended Clause 49 of the Listing Agreement with the Stock Exchanges.”

“RESOLVED FURTHER THAT P V Rama Seshu, General Manager & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”), and the applicable provisions of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of corresponding sections of the Companies Act), read with Companies (Share Capital & Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any amendments thereto or re-enactment thereof), the provisions of the Foreign Exchange Management Act, 1999, as amended Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme 2014 and such other statutes, notifications, clarifications, circulars, guidelines, rules and regulations as may be applicable and relevant and issued by the Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), the Foreign Investment Promotion Board (the “FIPB”), the Securities and Exchange Board of India (the “SEBI”), Stock Exchanges and/or any other competent authorities, whether in India or abroad, and including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “SEBI ICDR Regulations”), and subject to approval of the shareholders and any other appropriate authorities, institutions or bodies, as may be applicable and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with each of the Stock Exchanges where the Equity Shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, which may be agreed/ accepted to by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof, constituted or to be constituted to exercise its powers) consent of the Board be and is hereby accorded in its absolute discretion, to create, offer, issue, and allot, from time to time, in one or more tranches, equity shares of the Company (“Equity Shares”), Global Depository Receipts (“GDRs”), American depository receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”), fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares, and/or any instruments or securities representing Equity Shares and/or convertible into Equity Shares, either at the option of the Board or holder thereof, (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as “Eligible Securities”), or any combination thereof, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, of public and/or private offerings, qualified institutions placement and/or on preferential allotment basis or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/requisite offer document to any eligible person, including qualified institutional buyers in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/ resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds

(foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, trustees, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "Investors") as may be decided by the Board in its discretion and permitted under applicable laws and regulations, through one or more prospectus and/or letter of offer or circular, and/or on private placement basis, at such time or times, at such price or prices, and on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, for, or which upon exercise or conversion of all Eligible Securities so issued and allotted, could give rise to the issue of Equity Shares of an aggregate amount not exceeding Rs.1,000 Crores (with a Green Shoe Option to retain up to Rs.500 Crores from the excess subscriptions received) or equivalent thereof, in one or more foreign currency and/or Indian rupees, inclusive of premium that may be finalised by the Board at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors, including allotment to stabilizing agent in terms of green shoe option, if any, at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) and/or or Stabilizing Agent or otherwise on such terms and conditions, including issue of Eligible Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Eligible Securities, as may be decided by the Board at the time of issue or allotment of the Eligible Securities."

"RESOLVED FURTHER that if any issue of the Eligible Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations, the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall only be to Qualified Institutional Buyers within the meaning of Chapter VIII of the ICDR Regulations and such Eligible Securities shall be fully paid-up and such issuance shall be completed within twelve months from the date of the resolution of the Shareholders or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations and the Eligible Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations."

"RESOLVED that the Board or its Committee be and is hereby authorized to issue and allot such number of Eligible Securities or as many Equity Shares as may be required to be issued and allotted upon conversion of any Eligible Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares shall be issued in accordance with the terms of the Memorandum and Articles of Association and all Equity Shares issued and allotted on conversion or otherwise shall rank pari passu with the then existing Equity Shares of the Company in all respects including dividend."

RESOLVED FURTHER that

- (a) the Eligible Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (b) in the event that the Eligible Securities are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations;
- (c) in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company

are issued simultaneously with non-convertible debentures to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations; and

- (d) in the event the securities are proposed to be issued as FCCBs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board or duly authorized committee of directors decides to open the issue of such Securities after the date of this resolution in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance.
- (e) in the event the securities are proposed to be issued as ADRs or GDRs, the pricing of the Securities and the relevant date, if any, for the purpose of pricing of the securities to be issued pursuant to such issue shall be determined in accordance with the provisions of applicable law including the provisions of the Depository Receipts Scheme, 2014 (the "2014 Scheme"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (including any statutory modifications, amendments or re-enactment thereof).

"RESOLVED FURTHER that pursuant and subject to the applicable provisions of the 2014 Scheme, the Foreign Exchange Management Act, 1999, and the regulations framed thereunder, each as amended (the "FEMA") (including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended), the applicable provisions of the Companies Act, and any other laws, rules, regulations, guidelines, notifications, clarifications and circulars issued from time to time by the Government of India (and any ministry, department or agency thereof), the RBI, SEBI, the tax authorities in India, applicable government and regulatory authorities in the United States of America and its territories and jurisdictions, and any other government and regulatory authority, whether in India or outside India, and in accordance with the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies) (collectively, "Applicable Law"), the Board be and is hereby authorized to decide upon, at its discretion, the facilitation of an exit by any current or future holder of Equity Shares ("Permissible Securities") through the issue of Depository Receipts ("DRs"), and a transfer of Permissible Securities by any current or future holder of a Permissible Security to a foreign depository for the purpose of issue of DRs, pursuant to a sponsored depository receipt program, through transactions permitted under Applicable Law (including without limitation on a recognized stock exchange, in bilateral transactions or by tendering through a public platform), where such DRs may be issued by the foreign depository and offered and sold in one or more transactions by way of a private placement, public offering or in any other manner prevalent and permitted in a permissible jurisdiction under Applicable Law, at such price (including any premium or discount) as may be permitted under Applicable Law.

"RESOLVED FURTHER that the issue to the holders of the Eligible Securities, (where such securities are convertible into Equity Shares of the Company) shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares on conversion of the Eligible Securities, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto.
- (b) in the event the Company making a rights issue of Equity Shares prior to the allotment of the Equity Shares on conversion of the Eligible Securities, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders.
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate

- action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted;
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made
- (e) in the event the Company is involved in such other event or circumstances as mentioned above which in the opinion of the Stock Exchanges, requires adjustments, then the pricing of Equity Shares on conversion of Eligible Securities shall be subject to appropriate adjustments, as may be decided by the Board:

“RESOLVED FURTHER that without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Eligible Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Eligible Securities that are not subscribed.”

RESOLVED FURTHER that for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Eligible Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of Eligible Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and providing legal advise as well as acting as depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to prospectus and/or letter of offer and/or circular, documents and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee or any one or more executives of the Company.

“RESOLVED FURTHER that Dr. GVK Reddy, Chairman & Managing Director, G V Sanjay Reddy, Vice Chairman, Krishna Ram Bhupal, A. Issac George, Directors and P V Rama Seshu, General Manager & Company Secretary of the Company be and are hereby severally authorized to appoint the Lead Managers, Underwriters, Guarantors, Solicitors, Lawyers, Depositories, Registrars, Escrow Banks, Trustees, Bankers, Advisors and all such agencies and intermediaries as may be involved or concerned in such offerings of Eligible Securities and to remunerate them by way of commission, brokerage, fees or the like as it deems fit and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. including without limitation, a Placement Agreement and an Escrow Agreement with such agencies and also to seek the listing of such Eligible Securities on one or more national stock exchange(s);

RESOLVED FURTHER that:

- (a) the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations;
- (b) the Equity Shares to be issued by the Company as stated aforesaid shall rank pari passu with all existing Equity Shares of the Company;
- (c) the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of the above mentioned Equity Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient;

By order of the Board

Place : Hyderabad
Date : May 16, 2015

P V Rama Seshu
General Manager & Company Secretary
M.No.: FCS 4545

Notes

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed hereto.
2. 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. A person can act as Proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 10-08-2015 to 13-08-2015 (both days inclusive).
5. 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) Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
 - 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.
6. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to P V Rama Seshu, GM & 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.
7. 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.

8. 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 101 of the Companies Act, 2013. As such the members who are yet to register are requested to furnish/ register their e-mail id’s to enable the Company to send all notices, periodical statements etc., of the Company through electronic mode at einward.ris@karvy.com.
9. 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.

10. Voting through electronic means:

In compliance with Sec 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, substituted by Companies (Management & Administration) Amendment, Rules, 2014 and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting (E-Voting) facility provided by Karvy Computershare Pvt Ltd (KCPL). Shareholders who have not voted through remote E-Voting and those who are present at the AGM can participate in voting process through a ballot paper which would be made available at the AGM. Members attending the AGM in person or through proxy and who have not already cast their vote by remote e-voting only shall be allowed to exercise their voting right at the AGM through a ballot paper. Members who have already cast their vote by remote e-voting prior to the date of AGM may attend the meeting, but shall not be entitled to cast their vote again.

Instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- i) Log on to the e-voting website <https://www.evoting.karvy.com>
- ii) Click on “Shareholders” tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANYNAME” from the drop down menu and click on “SUBMIT”
- iv) If you are holding shares in Demat form and had logged on to <https://www.evoting.karvy.com> and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company and then enter the Captcha Code as displayed
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

- * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter "999999999" in the dividend Bank details and 13/06/2014 in the date of Birth field.

vi) After entering these details appropriately, click on "SUBMIT" tab.

vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through Karvy platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix) Click on the relevant EVSN on which you choose to vote.

x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired, the option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (xiii) above, to cast vote.

(C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [https:// www.evoting.karvy.com](https://www.evoting.karvy.com) in and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

(D) The voting period begins on 10th August, 2015 at 9.00 a.m. and ends on 12th August, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Karvy Computershare Private Limited (KCPL) for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(E) For the purpose of sending AGM notices, 10th July, 2015 has been taken as the initial cut-off date to determine the list of shareholders who are entitled to receive this notice as per the Act. However the voting rights shall be determined as per the number of equity shares actually held by the Member(s) as on Thursday, August 6, 2015, being the final cut off date. Members are eligible to cast vote electronically only if they are holding shares as on that date. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 6, 2015, may obtain the User ID and password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- (F) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM
- (G) The facility for voting through ballot shall also be made available at the AGM. Members attending the AGM and who have already not cast their vote by remote e-voting will only be able to exercise their right to vote at the AGM through a ballot paper.
- (H) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evoting.karvy.com> under help section or write an email to: einward.ris@karvy.com mailmanager@karvy.com
- (I) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- (J) Mr. Narender Gandhari, Practising Company Secretary (Membership No. 4898), of M/s. Narender & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
- (K) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer order voting through ballot paper for all those members who are present but not cast their votes electronically through remote e-voting facility.
- (L) The Scrutinizer shall, immediately after conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer’s report of the total votes cast in favor or against, if any, by not later than three days from the conclusion of the AGM to the Chairman of the Company. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
- (M) The results along with the Scrutinizer’s report shall be placed on the Company’s website www.gvk.com and on the website of KCPL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and will be communicated to the Stock Exchanges on which the Company’s equity shares are listed.

Explanatory statement

(In respect of the Special business Pursuant to section 102(1) of the Companies Act, 2013)

Item No: 4

Based on the recommendations of the Nomination and Remuneration Committee of the Company at its meeting held on 13th November, 2014, the Board of Directors at its meeting held on 14th November, 2014 had appointed K. Balarama Reddi as an Additional Director (Independent) who holds his office up to the date of this Annual General Meeting. Further, in terms of Section 149(10) read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors had fixed his term of office for a period of 5 years from 13th February 2015 and he shall not retire by rotation. In terms of Section 161(1) and other applicable provisions, if any, of Companies Act 2013, the Company has received a notice in writing from a shareholder along with a requisite deposit, signifying his intention to appoint Balarama Reddi as an Independent Director of the Company.

Balarama Reddi has confirmed that he is eligible to be appointed as an Independent Director and has not been disqualified under the Act under the Rules made thereunder. He has also declared that he meets the criteria for being an Independent Director under Section 149(6) of the Act.

Except Balarama Reddi, the incumbent, none of the Directors, Key Managerial Personnel or their relatives, has interest or concern, financially or otherwise, in the above said appointment.

Profile of K. Balarama Reddi

Born on 1st July 1928, Mr. Reddi, holds a Bachelor's degree in Electrical Engineering from Madras University, 1952 and is a Fellow Member of the Institution of Engineers (India). At present he is associated with the Administrative Staff College of India (ASCI), Hyderabad as Senior Consultant.

Mr. Reddi has over 40 years of experience in the Indian Power Sector and served as Chairman of Andhra Pradesh State Electricity Board (APSEB) and Central Electricity Authority (CEA). He was member of APSEB for 4 years (1988-92) and its Chairman for 3 years from 1992 to 1995. He had been involved in all aspects of Power Systems development/utility management. Mr. Reddi was involved in negotiations with IPPs' for setting up Power Projects in Andhra Pradesh. He was also a member of the high-level committee appointed by the Government of Andhra Pradesh to recommend policies and modalities for regulation and restructuring of power sector in the undivided state of Andhra Pradesh. He presented a number of papers in both National and International conferences and also written articles in various journals and Newspapers. He visited a number of countries to attend international conferences for presentation of papers and on study visits.

Item No: 5

The Securities and Exchange Board of India (SEBI) has mandated that every listed entity shall have a Woman Director and accordingly, the stock exchanges have directed all the listed companies to appoint a Woman Director on their Board before 31st March, 2015. In tune with this requirement and based on the recommendations of the Nomination and Remuneration Committee at its meeting held on 30th March, 2015, the Board of Directors of your Company vide their circular resolution dated 31st March, 2015 has appointed Santha K John as an Additional Director (Independent) on the Board of your Company to hold office for a term of 5 years, in terms of Section 149(10) read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and she shall not retire by rotation.

In terms of Section 161(1) and other applicable provisions, if any, of Companies Act 2013, the Company has received a notice in writing from a shareholder along with a requisite deposit, signifying his intention to appoint Santha K John as an Independent Director of the Company.

Santha K. John has confirmed that she is eligible to be appointed as an Independent Director and has not been disqualified under the Act under the Rules made thereunder. She has also declared that she meets the criteria for being an Independent Director under Section 149(6) of the Act.

Except Santha K John, the incumbent, none of the Directors, Key Managerial Personnel or their relatives, has interest or concern, financially or otherwise, in the above said appointment.

Profile of Santha K John

Mrs. John is a graduate by profession and also trained at the Administrative Staff College of India and Dancer, Fitzgerald & Sample, New York.

Mrs. John has over 30 years' experience in Advertising. She is a serial entrepreneur, having started the branch offices for Sistas Pvt Ltd (one of India's oldest advertising agencies) and Saatchi & Saatchi. She then started her own advertising agency, Mindset Advertising Private Limited in 1998.

In 2004, Mindset was awarded the 'Agency of the Year' and Mindset has been covered by NDTV Profit, CNBC TV 18, Agency FAQS Business India.

In 2009 Mrs. John was awarded the "Entrepreneur of the Year" by HMA Hyderabad Management Association and the Creative Entrepreneur award by Zee TV

In 2011 JWT, the leading global advertising network and India's largest integrated communications company, acquired a majority stake in Mindset Advertising Private Limited, Hyderabad's highly awarded advertising agency.

As of Dec 31st Ms. John has assumed the role of Chairman Emeritus of JWT Mindset, Hyderabad and is on the board. She is also a Board Member of United Way, Hyderabad.

Mrs. John is Founder & Director, Coach Life Asia, having trained with one of the world's top 10 coaches, Curly Martin, Achievement Specialists, UK and who wrote the first definitive book on Life Coaching.

Item No: 6 & 7:

In terms of Sec 149(10) of Companies Act, 2013 read with Companies (Appointment & Qualification of Directors) Rules, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board. The Ministry of Corporate Affairs vide General Circular No.14/2014 dated 9th June,2014 has clarified that the existing Independent Directors who were appointed as such before the notification of the Companies Act, 2013 shall be appointed as Independent Directors once again under new Act within a year from 01-04-2014 for a fixed term. Further, the existing tenure of the Independent Directors as on the commencement of Companies Act, 2013 shall not be counted for the purpose of this appointment under the Act.

The Nomination & Remuneration Committee of the Company at its meeting held on 12th February, 2015 had approved and recommended the appointments of Ch G Krishna Murthy, S. Balasubramanian and K Balarama Reddi, the existing Independent Directors, under the Companies Act, 2013 for a fixed term of 5 years subject to approval of the Board and the Shareholders. Accordingly, the Board of Directors at its meeting held on 13th February, 2015 had appointed these Independent Directors for a fixed term of 5 years from 13th February, 2015 to 12th February, 2020 and they shall not retire by rotation.

Both Ch G Krishna Murthy and S Balasubramanian have confirmed that they are eligible to be appointed as Independent Directors and have not been disqualified under the Act and Rules made thereunder. They have also declared that they meet the criteria for being an Independent Director under section 149(6) of the Companies Act 2013.

Except Ch G Krishna Murthy and S Balasubramanian, the incumbents, none of the Directors, Key Managerial Personnel or their relatives, has interest or concern, financially or otherwise, in the above said appointments.

Profile of Ch. G Krishna Murthy

Ch. G Krishna Murthy is a Chartered Accountant and holds a Master's degree in Arts and a LLB Degree.

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.

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 Vidyala and a member of the Chinmaya Seva Trust. He is on Board of our Company as an Independent Director since 24th July 2007.

Profile of S. Balasubramanian

S Balasubramanian is a former Chairman of the Company Law Board, a quasi-judicial body for a long tenure and has dealt with over 3000 cases on various Company Law matters. He is an Associate Member of the premier Professional Bodies in India viz., The Institute of Chartered Accountants of India (ICAI), The Institute of Company Secretaries of India (ICSI) and The Institute of Cost & Works Accountants of India (ICWAI). He holds a Bachelor's Degree in Law from the Delhi University and is a Member of The Delhi High Court, Bar Council. He also holds a P G Diploma in Project Management from the University of Bradford, UK. Before acting as the Chairman of the Company Law Board, he has been a Director in the Ministry of Program Implementation. He is on Board of our Company as an Independent Director since 30th April 2010

Item No: 8

Members are aware that the Company had obtained your approval at last AGM held on 13-08-2014 to raise funds through a QIP issue up to an amount of Rs.1,000 Crores with a green shoe option. Due to various adverse conditions prevailed in the market during last year, your company could not proceed with the proposed QIP issue. Since, the validity period (one year) of the said special resolution is getting expired on 12-08-2015, your company intends to keep the option of raising funds through QIP open, and for this purpose it is proposed to obtain your approval afresh at this AGM by way of passing a special resolution once again. Necessary details are given hereunder once again for your information.

The objects of the proposed issue is to fund the execution and completion of the existing and upcoming projects which are taken up/to be taken up by the company through its subsidiaries and associate companies, to strengthen the capital base of the Company and for general corporate purposes. In this regard, it is proposed to raise funds up to such sum(s) not exceeding Rs. 1,000 Crores (with a Green Shoe Option to retain up to Rs.500 Crores from the excess subscriptions received) by way of issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities convertible into Equity Shares (either at the option of the Board or holder thereof) to Qualified Institutional Buyers (QIB) (as defined by the SEBI ICDR Regulations) pursuant to a Qualified Institutions Placement, as provided under Chapter VIII of the SEBI ICDR Regulations.

The resolutions contained in the Notice relates to a proposal by the Company to issue equity shares (Eligible Securities) to Qualified Institutional Buyers (QIBs) as defined under SEBI ICDR Regulations, seeks to empower the Board of Directors or its Committee of the Company to undertake a Qualified Institutional Placement in terms of Chapter VIII of SEBI ICDR Regulations to the QIBs. The pricing of the Eligible Securities to be issued to QIBs shall be freely determined subject to such prices not being less than the price as calculated in accordance with the SEBI ICDR Regulations as amended.

The detailed terms and conditions of the issue as and when made will be determined by the Board or its committee in consultation with the merchant bankers, lead managers, advisors and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

This resolution seeks to give the Board, powers to issue Eligible Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit and is valid for a period of one year from 13-08-2015. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The issue/allotment would be subject to the availability of regulatory approvals, if any, and the Equity Shares, which would be allotted in these terms, shall rank pari passu in all respects including dividend with the existing Equity Shares of the Company.

The consent of the Shareholders is being sought pursuant to Section 62 and other applicable provisions of Companies Act,

2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital & Debentures) Rules, 2014, Chapter VIII of the SEBI ICDR Regulations and in terms of the Listing Agreement entered by the Company with the respective Stock Exchanges in India where the Company's Equity Shares are listed. Since the above authority involves issue of Equity Shares to persons other than the existing shareholders, your approval through a Special Resolution in terms of Section 62(1)(c) is required. The Board of Directors believes that the above proposal is in the best interest of the Company and therefore recommends the said special resolution for your approval.

Save and except to the extent of their respective shareholding interest, if any, none of the Directors, key managerial personnel or their relatives, is interested or concerned, financially or otherwise, in the above special resolution.

By order of the Board

Place : Hyderabad

Date : May 16, 2015

P V Rama Seshu

General Manager & Company Secretary

M.No.: FCS 4545

Directors Report

Dear Stakeholders,

Your Directors submit the 21st Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2015.

Consolidated Financial results

Being a Holding Company of different vertical business operations, your Company doesn't 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 financial results of the Company, its subsidiaries and associates.

(Rs. Lakhs)

Particulars	2014-15	2013-14
Financial Performance		
Operational Income	304,965	282,093
EBIDTA	81,772	100,595
Other Income	8,665	12,066
Interest & Financial Charges	147,362	96,452
Depreciation	70,555	43,771
Provision for taxes	(10,922)	14,460
Profit before tax and share of profits for associate and minority interest	(116,848)	(42,022)
Add: Share of income from Associates	3,220	2,764
Less: Minority Interest	(30,160)	(2,390)
Total Profit for the year	(83,468)	(36,868)
EPS (Rupees)		
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400
Basic and Diluted	(5.29)	(2.33)
Financial Position		
Fixed Assets (Net of Depreciation)	2,398,888	2,236,641
Cash and Bank balance	149,551	181,347
Net Current Assets	(512,978)	(208,279)
Total Assets	3,285,303	3,202,375
Equity	15,792	15,792
Reserves	178,076	262,026
Net worth	193,868	277,818

Our total income from operations increased by 8.11% to Rs.304,965 Lakhs from Rs.282,093 Lakhs in the previous year. The Power segment contributed an income of Rs. 29,040 Lakhs compared to Rs.36,698 Lakhs (9.52% of total income) in the previous year. The Transportation segment contributed an income of Rs.29,983 Lakhs (9.83% of total income) compared to Rs.27,195Lakhs in the previous year. Airport Segment contributed an income of Rs.245,942 Lakhs (80.65% of total income). The associate company (Bangalore Airports) has contributed to net profit of Rs. 3,220 Lakhs compared to Rs. 2,764 Lakhs in the previous year. The net loss after tax, share of profit from associate and minority interest was Rs.83,468 Lakhs as against net loss of Rs.36,868Lakhs in the previous year. The net loss is mainly attributable to drop or no generation of power due to acute supply of gas which has resulted in either closure of power plants or operational for a very few days in a month and also increase in interest cost on acquisition debt.

Dividend

The Board of Directors of your Company has not recommended any dividend for the financial year 2014-15.

Management Discussion and Analysis

A Management Discussion and Analysis report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

Corporate Governance

Corporate Governance, as required under amended Clause 49 of the Listing Agreement with the Stock Exchanges, a certificate from the Company Secretary in While Time Practice on compliance with the mandatory recommendations of the Narayana Murthy Committee on Corporate Governance is annexed to the Directors Report. As in the past, your Company continues to follow best of Corporate Governance policies.

Subsidiaries and Consolidated Financial Statements

As on March 31, 2015 your Company has 7 direct Subsidiaries, 16 step down Subsidiaries and 2 Associate Companies. There has been no material change in the nature of the business of the Company and its subsidiaries. Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report.

A statement containing salient features of the financial statement of these companies as required to be provided under section 129(3) of the Act, are enclosed herewith in the specified form, as **Annexure A**. 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 that of the respective subsidiary companies. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: [http:// www.gvk.com/underinvestorrelations/investors/policyfordeterminingmaterialsubsidiaries](http://www.gvk.com/underinvestorrelations/investors/policyfordeterminingmaterialsubsidiaries)

Developments in the existing assets

(i) Energy

Since March, 2013 there has been no supply of natural gas to Jegurupadu Phase II and Gautami Power plants of your Company. Hence, both the plants are kept under long term preservation mode. However, with a restricted supply of gas, Jegurupadu Phase I operated at a part load (50%). As the plants are either not operating or partly operational and the situation of non-availability of gas is expected to continue for the foreseeable future, the Major Maintenance of gas turbines is also deferred.

However, Jegurupadu Phase II and Gautami Power Plants have been declaring availability of the plants on alternate fuel since November, 2013 and June, 2012 respectively to the extent of non-availability of gas and submitting the monthly tariff bills for the respective tariff months claiming Capacity Charges.

The validity period of PPA for Jegurupadu Phase I power plant will expire on 20th June, 2015. As per the terms of PPA, the DISCOMs can extend the PPA for another 15 years or lower period if accepted by both the parties OR Buy-out the Project at the Buy-out price decided by an Independent Appraiser. In case DISCOMs opt 'not to do' any of the above, the Project remains with GVK as its own property.

(ii) Airports

During the year under review, Mumbai International Airport Private Limited (MIAL) has handled total of 269,456 aircraft movements compared to 260,666 during the previous year, an increase of 3.37%. On an average 738 flights were operated per day during the current year as against 714 flights per day during the previous year. MIAL handled 36.63 million passengers during the year compared to 32.22 million passengers during the previous year, an increase of 13.70%. On an average 100,369 passengers traveled per day through the airport during the year as against 88,278 passengers during the previous year.

Bangalore International Airport Limited (BIAL) surpassed 15 million annual passengers on 22nd March 2015 and has positioned itself as the 3rd busiest Airport in the Country after Delhi and Mumbai and also moved into the ACI mid - sized (15 - 25 million) airport category globally. BIAL became the first airport in the Country to be IATA e-freight compliant by successfully completing a proof-of-concept and operationalization of e-freight facility.

(iii) Transportation

Partial Commercial Operations for the 83.04 km Deoli-Kota Road Project, in the State of Rajasthan, is likely to commence from the first/second quarter FY 2015-16.

Directors / Key Managerial Personnel (KMP)

Appointments by rotation

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company G V Sanjay Reddy, Director of the Company will retire by rotation at this meeting and being eligible, your Board recommends his re- appointment.

Confirmation of Appointment

Pursuant to the provisions of the section 161 of the Companies Act, 2013 read with the Article 109 of the Articles of Association of the Company, K Balarama Reddi and Santha K John were appointed as Additional Directors (Independent) w.e.f. 14th November, 2014 and 31st March, 2015 respectively and they shall hold office only up to the date of this Annual General Meeting. Being eligible, the Board recommends their appointment as Independent Directors of the Company in terms of section 149(10) of the Companies Act, 2013 for a fixed term of 5 years.

Based on the recommendations of the Nomination & Remuneration Committee of the Company your Board of Directors had approved the terms of appointments of Ch G Krishna Murthy, S. Balasubramanian and K Balarama Reddi, the existing Independent Directors, under the Companies Act, 2013 for a fixed period of 5 years from 13th February, 2015 to 12th February, 2020 and they shall not retire by rotation. Being eligible, the Board recommends their appointment as Independent Directors of the Company in terms of section 149(10) of the Companies Act, 2013 for a fixed term of 5 years.

Details of these directors seeking appointment / re-appointment at this meeting have been given separately under the corporate governance section of this report.

Each of these Independent Directors have given a declaration to the Company that they meet the criteria of independence as required under section 149(7) of the Companies Act, 2013 and clause 49 of the Listing Agreement with the Stock Exchanges.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have formulated and adopted a policy on appointment / remuneration of directors including criteria for determining qualifications, positive attributes, independence of the Directors and other matters. This policy also covers the performance evaluation of all directors, Board, Committees and Key Managerial Personnel.

An exclusive meeting of the Independent Directors of the Company has been held on 13th February, 2015 which was attended by all the Independent Directors. They have reviewed the performance of the non-independent directors and the Board as a whole, performance of chairperson and quality of information to the Board as provided under Schedule IV of the Companies Act, 2013.

The Company has adopted a program on familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the company at the link [http:// www.gvk.comunderinvestorrelations/investors/familiarisationprogrammeof independentdirectors](http://www.gvk.comunderinvestorrelations/investors/familiarisationprogrammeofindependentdirectors).

Dr. GVK Reddy, Chairman & Managing Director, Mr A Issac George, Director & CFO and Mr. P V Rama Seshu, General Manager & Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013 and the Rules made thereunder. The performance of each of these KMP are evaluated annually by the Nomination and Remuneration Committee (NRC) and the Independent Directors and report their analysis to the Board.

Mechanism for Evaluation of Board

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual Directors.

1. Criteria for evaluation of Board of Directors as a whole

- i) The frequency of meetings;
- ii) The length of meetings;
- iii) The administration of meeting;
- iv) The number of committees and their notes;
- v) The flow of information to board members and between board members
- vi) The quality and quantity of information; and

vii) The disclosure of information to the stakeholders

2. Criteria for evaluation of the Individual Directors

- i) Ability to contribute and monitor corporate governance practices;
- ii) Ability to contribute by introducing best practices to address top management issues;
- iii) Participation in long term strategic planning;
- iv) Commitment to the fulfilment of director obligations and fiduciary responsibilities;
- v) Guiding strategy;
- vi) Monitoring management performance and development;
- vii) Statutory compliance & Corporate governance;
- viii) Attendance and contribution at Board/Committee meetings;
- ix) Time spent by each of the member; and
- x) Core competencies

Nomination and remuneration policy

The objectives of the Policy

- 1) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
- 3) To carry our evaluation of the performance of Directors,
- 4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The brief Nomination and Remuneration policy is annexed to this report.

Directors' Responsibilities Statement

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, 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, 2015, 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, 2015 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts for the financial year ended March 31, 2015 on a "going concern" basis;
- v) they have laid down internal financial controls in the company that are adequate and were operating effectively and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Financial Statements

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 133 of the Companies Act, 1956 read with Rule 7 of The Companies (Accounts) Rules, 2014. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries are available on our website www.gvk.com. These documents will be available for inspection during business hours at our registered office in Secunderabad, India.

Secretarial Auditor

The Board had appointed M/s Narendar & Associates, Company Secretaries in Whole-time Practice to carry out the Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder. The report of the Secretarial Auditor is enclosed to this report as **Annexure B**. This report contains an emphasis of matter on filling the intermittent vacancy caused by the resignation of a woman director. This delay is not intentional but purely because of the time taken for identifying a suitable person.

Auditors

In terms of the sub-section (2) of section 139 of the Companies Act, 2013 (effective from 01-04-2014) no Listed Company shall appoint or re-appoint an Auditing Firm as the Auditor for more than two terms of five consecutive years. Provided that the firm is eligible to be appointed or re-appointed in the same Company after five years from the completion of existing term. In pursuance of the above, every listed Company shall comply with this requirement within a transitional period of three years from the date of commencement of the Act i.e. 1st April, 2014.

M/s. S R Batliboi & Associates LLP, the existing Auditors, have been appointed on 13th September, 2002, as the Statutory Auditors of the Company for auditing the annual financial statements of the Company from the financial year 2002-03 and have completed the permissible period of two terms of five years each as on date. The Company would like to comply with this new provision within said transitional period of three years. In the meantime, the Company proposed to re-appoint M/s. S R Batliboi & Associates LLP as Statutory Auditors for the financial year 2015-16 as well.

M/s. S R Batliboi & Associates LLP, the Statutory Auditors of the Company will retire at the conclusion of this Annual General Meeting and being eligible, they have offered themselves for re-appointment as Statutory Auditors and have confirmed that their re-appointment, if made, would be within the limits prescribed under section 141 of the Companies Act, 2013. Accordingly, the Board recommends their reappointment at this AGM. The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

Management's response on the Statutory Auditors Qualification / Comments

a) Qualification on termination notice served by GVK Oil & Gas Ltd

GVK Power & Infrastructure Limited (GVKPIL) had incorporated a subsidiary GVK Oil & Gas Limited (GVK) for carrying out the business activity of exploration & production of Oil & Gas. GVK along with M/s BHP Billiton (BHP) had bid for 7 of the 57 blocks offered by the Ministry of Petroleum and Natural Gas (Ministry) under New Exploration and Licensing Policy, Seventh offer of Blocks ("NELP VII"). The consortium of GVK & BHP was awarded the license for exploration, development and production of oil / gas in 7 blocks. Six of the blocks are of the western coast and one block is of the Kerala-Konkan coast. The consortium of GVK & BHP had entered into a Production Sharing Contract (PSC) with Ministry on December 22, 2008 for all the seven blocks allotted.

The participating interest held by GVK and BHP in each of the blocks are 74% and 26% respectively. BHP was appointed as the Operator for the Blocks pursuant to the Joint Operating Agreements ("JOAs") entered between BHP and GVK for each Block, each dated December 22, 2008.

Under the PSC, the contractor has the obligation to complete the minimum work program and the mandatory work program for each of the blocks within the time stipulated therein. The minimum work program in all blocks (except MB 3) was completed as committed under the PSC's. Only, 3D seismic data acquisition, processing and interpretation ("API") in an area covering 300 Sq. KM in MB 3 (as part of committed work program) couldn't be completed, because of the defence (Naval) restrictions and later conditional release imposed. Subsequently, the clearance was given by introducing additional conditions by the Ministry, which was neither contemplated by the Contractor at the time of entering into the PSC nor was the Contractor informed of the existence/ requirement of such conditions by the Government of India at that time. This has not only rendered the performance obligations of the Contractor under the PSC impossible but has also destroyed the foundation and the objectives of the PSC. Hence, during the previous year, Termination Notice was served by GVK on the Ministry for termination of PSC. The Management based on legal

advice believes that the Ministry will reimburse the costs incurred by it and accordingly no adjustment is required for carrying value of investments and advances aggregating to Rs. 10,161 Lakhs.

b) Qualification on recoverability against carrying value of assets of GVK Coal (Tokisud) Private Limited

GVK Coal (Tokisud) Private Limited was incorporated for developing a coal mine with minable reserve of 52 Million Tons (geological reserve of around 92 Million Tons) in the state of Jharkhand as a captive coal mine to meet the requirements of coal of one of the step down subsidiary i.e. GVK Power (Goindwal Sahib) Limited, which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab.

The Hon'ble Supreme Court vide its decision dated September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and had cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honorable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ petition before the Hon'ble High Court of Delhi challenging the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block as Rs. 11,129 Lakhs against the carrying value of assets of Rs. 35,575 Lakhs. The Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision was required to be made to carrying value of assets.

Particulars of Loans given, Investments made and Guarantees given and Securities provided:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statements. Please refer to Note 5,7,10 and 25 to the standalone financial statement.

Board Committees

All Committees of the Board of Directors are constituted and rechristened, wherever needed, in line with the provisions of the Companies Act, 2013 and Clause 49 of the amended Listing Agreement with the Stock Exchanges.

Awards and recognitions

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

Certifications, Recognitions and Awards for Bengaluru International Airport (BIAL)

BIAL surpassed 15 million annual passengers on 22nd March 2015 and has positioned itself as the 3rd busiest Airport in the Country after Delhi and Mumbai and also moved into the ACI mid - sized (15 - 25 million) airport category globally.

Achieved an overall satisfaction score of 4.37 in the ACI Airport Service Quality passenger survey (ASQ) for calendar year 2014.

First airport in the Country to be IATA e-freight compliant, successfully completing a proof-of-concept and operationalization of e-freight facility.

New dedicated facility to support the Governments Tourist Visa on Arrival enabled with Electronic Travel Authorization (ETA) initiative, is ready for operations.

SKYTRAX 2015 - Kempegowda International Airport, Bengaluru has been awarded the 'Best Regional Airport in Central Asia' by Skytrax World Airport Awards 2015 held in Paris.

Awarded the ASQ 'Best Improvement Award 2014' at the recently concluded ASQ Airport Forum for Asia, Middle East and Africa held at Sanya, China.

India Travel Awards South for "Best Airport Marketing Award 2013" and "Best Airport Award".

'Best Airport Award 2014', Aviation Awards 2014 by SAP Media.

Best Maintained Landscape / Garden - The Bangalore City Landscape Garden competition by The Mysore Horticultural Society.

World HRD Congress award for Dream Company to work for in the Airlines and Aviation sector.

BIAL has successfully renewed its Airport Carbon Accreditation for Level 3 i.e. Optimization Level in the month of May 2014.

BIAL has completed surveillance audit successfully for ISO 9001:2008 (QMS), ISO 14001:2004(EMS), ISO 50001:2011(EnMS),

OHSAS 18001:2007(Health & Safety), ISO 27001 certification along with upgradation from ISO 27001:2005 revision to the latest ISO 27001:2013 revision and ISO 22301:2012.

Accreditation of Training Institute of BIAL – Aviation Security Training Institute of BIAL has been approved by BCAS for conducting Aviation Security Courses / Training for the airport community.

Certifications, Recognitions and Awards for Mumbai International Airport Private Limited (MIAL)

GVK CSIA has been conferred the award for ‘Outstanding Contribution in Airports – Infrastructure’ category at the 5th EPC World Awards 2014

GVK CSIA has been bestowed with the runner-up award in the Airport category for being the favourite among readers by Conde Nast Traveller India

GVK MIAL received the Best Airport from “ACAAI & KALE Logistics” for the third consecutive year in 41st ACAAI Convention. The award acknowledges our excellence in connecting the cargo community.

Structural Steel Excellence Awards 2014 Trophy Award for “The Innovative, Efficient and productive use of Steel Structures in the Built Environment” in the category of Infrastructure or Transportation Structures (Overseas) from Singapore Structural Steel Society

GVKPIL received the Dun and Bradstreet’s Infra Awards 2014 for its exemplary performance for CSIA T2 project.

GVK MIAL has been awarded the prestigious ‘Golden Peacock Award for Sustainability’.

GVK MIAL has been awarded THE SWORD OF HONOR by the British Safety Council for excellence in health and safety management.

GVK MIAL receives the ‘Outstanding Concrete Structure Award of ICI, 2014’

GVK MIAL is proud to be the first airport to receive a TAPA Freight Security Requirements (FSR) 2011 Certification Classification (A).

GVK MIAL is proud to be the 1st Airport in Asia and 5th in the world to release “The Sustainability Report 2014” as per GRI G4 reporting guidelines.

GVK CSIA received the Best Managed Airport award at the 8th CNBC Awaaz Travel Award 2014

GVK CSIA has bagged the prestigious ‘Golden Peacock Innovative Product/Service Award 2014’ for its newly launched ‘Pranaam GVK Guest Services’

GVK CSIA received the Forbes India Art Awards under the Corporate Commitment to Art category 2014

GVK CSIA received the Cargo Recognition Award from Swiss World Cargo for its Swiss Air Mumbai Airport station.

GVK CSIA received Gold rating in Leadership in Energy and Environmental Design (LEED) India from the Indian Green Building Council (IGBC) for energy efficient, eco-friendly and sustainable terminal building design

Contracts and Arrangements with the Related Parties:

All the related party transactions that were entered during the financial year were on an arm’s length basis and were in the ordinary course of business. These transactions, for a financial year, are placed before the Audit Committee and the Board for their prior approvals. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on a materiality of related party transactions.

Transactions entered by the Company with the related parties on arm’s length basis and in the normal course of business, for the financial year 2014-15, with the prior approval of the Audit Committee and the Board are enclosed as **Annexure C**. A policy on related party transactions can be accessed at the link <http://www.gvk.com/files/investorrelations/investors/corpgovernance/RelatedPartyTransactionPolicy.pdf>

Extract of Annual Report

An extract of the Annual Return for the financial year ended 31st March, 2015 as required under section 92(3) of the Act is enclosed herewith, in the specified format, as **Annexure D**

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 periodically reviews internal audit reports and effectiveness of internal control systems.

Apart from the above, the Company is in consultations with the external and independent consultants to have a policy for development and implementation of risk management for the company including identification of elements of risk, if any, that may threaten the existence of the Company and a mechanism to mitigate the same. Once the above policy is finalized, the same will be adopted by the Board and uploaded in the website of the Company thereafter.

Public Deposits

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

Vigil Mechanism

In terms of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with the whistle blower policy. The Vigil Mechanism and whistle blower policy have been uploaded on the website of the Company. The same can be accessed at the link www.gvk.comunderinvestorrelations/investors/codeofconduct.

Corporate Social Responsibility

During the year, the Board had reconstituted the CSR Committee by appointing K Balarama Reddy, Independent Director as its member and made G V Sanjay Reddy as Chairman of this Committee in place of Dr. GVK Reddy who had resigned as its member. Majority members of this Committee are Independent Directors. Members can access the CSR Policy on the website of the Company at link [http://www.gvk.comunderinvestorrelations/investors/corporategovernance/CSR Policy](http://www.gvk.comunderinvestorrelations/investors/corporategovernance/CSR%20Policy)

Since, there are no average net profits for the Company during the previous three financial years, there are no specific funds that are required to be set aside and spent by the Company during the year under review.

Particulars of employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, none of the employees are in receipt of the remuneration which is in excess of the limits as specified in the regulation.

Disclosures pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are enclosed to this report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

For and on behalf of the Board of Directors

Place : Hyderabad

Date : May 16, 2015

Dr. GVK Reddy

Chairman & Managing Director

Holding Company

GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2015)

1. GVK Energy Limited
2. GVK Airport Developers 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, 2015)

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 Project Private Limited
7. GVK Power (Khadur Sahib) Private Limited
8. GVK Airport Holdings Private Limited
9. Bangalore Airport & Infrastructure Developers Private Limited
10. GVK Airports International Pte Ltd, Singapore
11. Mumbai International Airport Private Limited
12. GVK Jaipur Expressway Private Limited
13. GVK Deoli Kota Expressway Private Limited
14. GVK Bagodara Vasad Expressway Private Limited
15. GVK ShivpuriDewas Expressway Private Limited
16. GVK Energy Ventures Private Limited

Associates (As on March 31, 2015)

1. Bangalore International Airport Limited
2. Seregarha Mines Limited

Annexures

Annexure – A

FORM No. AOC-1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part “A”: Subsidiaries

(Rs.Lakhs)

Sl. No.	1	2	3	4	5	6	7
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 Perambalur SEZ Pvt Ltd	GVK Developmental Projects Pvt Ltd
Reporting period for subsidiary concerned, if different from the holding company's reporting period	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015	01-04-2014 to 31-03-2015
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR
Share Capital	44,827	130,000	3,770	1	5	1	1
Reserves & Surplus	179,135	(114,231)	(25,935)	-	(7,868)	-	(3,210)
Total Assets	306,216	353,704	73,409	5,006	10,726	11,738	54,217
Total Liabilities	306,216	353,704	73,409	5,006	10,726	11,738	54,217
Investments	294,968	25,078	31,434	-	-	-	-
Turnover	2,329	4,723	-	-	1	-	-
Profit before Taxation	(3,559)	(34,751)	(7,875)	-	(7,618)	-	(2,001)
Provision for taxation	410	927	-	-	-	-	-
Profit after taxation	(3,969)	(35,677)	(7,875)	-	(7,618)	-	(2,001)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	73.94	100	100	100	100	100	100

Part "B": Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associate / Joint Venture	Bangalore International Airport Limited	Seregarha Mines Limited
1	Latest audited Balance Sheet Date	31-03-2015	31-03-2015
2	Shares of Associate / Joint Ventures held by the company on the year end	43%	44.45%
	No.	165,378,000	44,63,242
	Amount of Investment in Associates / Joint Venture	Rs. 179,340 Lakhs	Rs. 446 Lakhs
	Extent of Holding %	43	44.45
3	Description of how there is significant influence	Company holds investment which by share ownership is deemed to be an associate company	Company holds investment which by share ownership is deemed to be an associate company
4	Reason why the associate / joint venture is not consolidated	-	-
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.36,624 Lakhs	Rs. 446 Lakhs
6	Profit / Loss for the year		
	i. Considered in Consolidation	Rs.3,220 Lakhs	-
	ii. Not considered in Consolidation	-	-

For and on behalf of the Board of Directors

Place : Hyderabad
Date : May 16, 2015**Dr. GVK Reddy**
Chairman & Managing Director

Annexure – B

Form MR-3 Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For The Financial Year Ended 31st March, 2015

To
The Members,
M/s GVK Power & Infrastructure Limited
(CIN: L74999AP2005PLC059013)
Paigah House, 156-159, Sardar Patel Road
Secunderabad 500003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. GVK Power & Infrastructure Limited (hereinafter referred to as the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

The maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Based on our verification of the Company's secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion the Company has, during the financial year ended on 31st March, 2015 (audit period), complied with all the statutory provisions listed hereunder and proper Board-processes and compliance-mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

6. Other Labour laws as may be applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above except, to the extent as mentioned below, as an emphasis of matter:

The intermittent vacancy, in the office of a Woman Director caused by the resignation of Mrs. Indira K Reddy on 11th December, 2014, should have been filled by the Company on or before 10th March, 2015. However, the same has been filled with the appointment of Mrs. Santha K John, by the Board of Directors through a Circular Resolution on 31st March, 2015.

We further report that;

The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the shareholders of the Company at their 20th Annual General Meeting held on 13-08-2014 authorized the Company to issue securities under Chapter VIII of SEBI (ICDR) Regulations, 2009 and as on 31st March, 2015 the Company has not issued or allotted any securities under this authorization.

For Narender & Associates

Place : Hyderabad
Date : 16-05-2015

G Narender
FCS NO.4898
CP.NO.5024

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and outgo Etc.,

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

- (i) the steps taken or impact on conservation of energy : NA
- (ii) the steps taken by the company for utilising alternate sources of energy : NA
- (iii) the capital investment on energy conservation equipments; : NA

(B) Technology absorption :

- (i) the efforts made towards technology absorption; : NA
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; : NA
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : NA
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- (iv) the expenditure incurred on Research and Development : NA

Expenditure on R& D

(Rs. in lakhs)

S.No.	Particulars	2014-15	2013-14
A	Capital	Nil	Nil
B	Recurring	Nil	Nil
C	Total	Nil	Nil
D	Total R&D expenditure as a percentage of total turnover	Nil	Nil

(C) Foreign exchange earnings and Outgo :

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 5 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

Annexure – C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2015, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

(Rs. in lakhs)

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
Nature of contract:				
Fees for Services rendered				
GVK Gautami Power Ltd	Subsidiary	During the terms of PPA	O&M Service	959
Mumbai International Airport Pvt Ltd	Subsidiary	3 years from 01-02-2014 to 31-01-2017	Manpower & Consultancy Services	1,409
GVK Projects & Technical Services Ltd	Group company	Till loan is paid	Corporate Guarantee commission	38
GVK Energy Limited	Subsidiary	As per the financing documents with the lenders	Corporate Guarantee commission	120
Seregraha Mines Limited	Associate	Till the completion of the project	Corporate Guarantee commission	8
GVK Coal Developers (Singapore) Pte Ltd	Group company	Till loan is paid	Corporate Guarantee commission	1,507
Reimbursement of expenses (Billable expenses)				
GVK Gautami Power Ltd	Subsidiary	During the terms of PPA	O&M Service.	416
Services rendered :				
GVK Industries Limited	Subsidiary	Yearly	Reimbursement of expenses	15
GVK Technical & Consultancy Services Pvt Ltd	Group Company	3 years from 01-02-2014 to 31-01-2017	Manpower Services	138
Pinakini Share & stock Broker Limited	Group Company	Yearly	Investment maintenance services	3
TAJ GVK Hotels & Resorts Limited	Group Company	Yearly	Hospitality services	3
Orbit Travels & Tours Private Limited	Group Company	3 years from 01-02-2014 to 31-01-2014	Cost of flight tickets	34
Investment in equity				
GVK Airport Developers Ltd	Subsidiary	Not applicable	Equity shares allotment	7,920
GVK Transportation Pvt Ltd	Subsidiary	Not applicable	Equity shares allotment	20
Loans/advances given/expenditure incurred on behalf				
GVK Industries Ltd	Subsidiary	One time	Loan given	1,171
GVK Jaipur Expressway Pvt Ltd	Subsidiary	One time	Reimbursement of expenses	2
GVK Bagodara Vasad Expressway Pvt Ltd	Subsidiary	One time	Reimbursement of expenses	2
Alaknanda Hydro power Co Ltd	Subsidiary	One time	Advance given	21

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
Goriganga Hydro Power Pvt Ltd	Subsidiary	One time	Advance given	8
GVK Power (Goindwal Sahib) Limited	Subsidiary	One time	Advance given	425
GVK Airport Developers Ltd	Subsidiary	Yearly	Advance given	40,943
GVK Transportation Pvt Ltd	Subsidiary	Yearly	Advance given	10,411
GVK Perambalur SEZ Pvt Ltd	Subsidiary	Not applicable	Advance given	9
GVK Developmental Projects Pvt Ltd	Subsidiary	Not applicable	Advance given	4
GVK Energy Limited	Subsidiary	Not applicable	Advance given	277
GVK Oil & Gas Limited	Subsidiary	Not applicable	Advance given	6
Bangalore International Airport Ltd	Associate	Not applicable	Reimbursement of expenses	8
Loans/advances recovered:				
GVK Industries Ltd	Subsidiary	Not applicable	Loan recovered	1,036
Alaknanda Hydro power Co Ltd	Subsidiary	Not applicable	Loan recovered	24
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Loan recovered	410
GVK Airport Developers Ltd	Subsidiary	Not applicable	Loan recovered	16,504
GVK Transportation Pvt Ltd	Subsidiary	Not applicable	Loan recovered	27,500
GVK Developmental Projects Pvt Ltd	Subsidiary	Not applicable	Loan recovered	1,550
GVK Energy Limited	Subsidiary	Not applicable	Loan recovered	205
Share application money given:				
GVK Coal Developers (Singapore) Pte Ltd	Group company	Not applicable	Share application money given	11,288
Share application money recovered:				
GVK Coal Developers (Singapore) Pte Ltd	Group company	Not applicable	Recovery of share application money.	173
Interest Income :				
GVK Energy Limited	Subsidiary	Till conversion of debentures	Interest on debentures	1
Guarantees given:				
GVK Airport Developers Ltd	Subsidiary	Till the loan is paid	Counter guarantees	9,459
GVK Coal Developers (Singapore) Pte Ltd	Group company	Till the loan is paid	Counter guarantees	25,700
Guarantees released:				
GVK Jaipur Expressway Pvt Ltd	Subsidiary	Not applicable	Not applicable	13,040
Alaknanda Hydro power Co Ltd	Subsidiary	Not applicable	Not applicable	300
GVK Transportation Pvt Ltd	Subsidiary	Not applicable	Not applicable	10,709
GVK Projects & Technical Services Ltd	Group company	Not applicable	Not applicable	1,693
GVK Oil & Gas Limited	Subsidiary	Not applicable	Not applicable	813
Director Sitting fees:				
Mr G V Sanjay Reddy	Vice Chairman	For each meeting	Not applicable	0.80
Mr Krishna Ram Bhupal	Director	For each meeting	Not applicable	0.80
Mrs G Indira Krishna Reddy	Director	For each meeting	Not applicable	0.60

Annexure – D

Extract of Annual Return

Form No. MGT 9

as on financial year ended on 31.03.2015

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.)

I. Registration & Other Details:

i	CIN	L74999AP2005PLC059013
ii	Registration Date	20-04-2005
iii	Name of the Company	GVK POWER & INFRASTRUCTURE LIMITED
iv	Category/Sub-category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office & contact details	156-159, 'Paigah House' Sardar Patel Road Secunderabad 500013
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gacchibowli, Financial District, Nanakramguda, Hyderabad 500032 Tel: +91 40 67161700 Fax: +91 40 23114087

II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company	
i	O&M Power Plants	NIL	Guarantee commission	37.64%
			Manpower & Consultancy fees	8.29%
			Operating fees	21.46%

III. Particulars of Holding, Subsidiary & Associate Companies:

SI No	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Subsidiaries (As on March,31,2015)					
1	GVK Energy Limited	U40102AP2008PLC058683	Subsidiary	73.94	Section 2(87)
2	GVK Airport Developers Limited	U62200TG2005PLC046510	Subsidiary	100	Section 2(87)
3	GVK Transportation Private Limited	U63030TG2009PTC064808	Subsidiary	100	Section 2(87)
4	GVK Oil & Gas Limited	U40105TG2008PLC057645	Subsidiary	100	Section 2(87)
5	GVK Perambalur Sez Private Limited	U45209DL2006PTC156157	Subsidiary	100	Section 2(87)
6	GVK Developmental Projects Private Limited	U74140DL2006PTC156789	Subsidiary	100	Section 2(87)
7	Goriganga Hydro Power Private Limited	U40101TG2006PTC073854	Subsidiary	100	Section 2(87)
Step Down Subsidiaries (As on March,31,2015)					
1	GVK Industries Limited	U74999AP1992PLC014388	Subsidiary	100	Section 2(87)
2	GVK Gautami Power Limited	U40102TG1996PLC024970	Subsidiary	63.60	Section 2(87)
3	Alaknanda Hydro Power Company Limited	U40100TG1996PLC074796	Subsidiary	100	Section 2(87)
4	GVK Power (Goindwal Sahib) Limited	U40109TG1997PLC028483	Subsidiary	100	Section 2(87)
5	GVK Coal (Tokisud) Company Private Limited	U10101TG2005PTC047275	Subsidiary	100	Section 2(87)
6	GVK Ratle Hydro Electric Project Private Limited	U40108TG2010PTC069067	Subsidiary	100	Section 2(87)
7	GVK Power (Khadur Sahib) Private Limited	U40102TG2011PTC073797	Subsidiary	99	Section 2(87)
8	GVK Airport Holdings Private Limited	U62200TG2005PTC046505	Subsidiary	100	Section 2(87)
9	Bangalore Airport & Infrastructure Developers Private Limited	U45200TG2006PTC051693	Subsidiary	100	Section 2(87)
10	GVK Airports International Pte Ltd, Singapore	NA	Subsidiary	100	Section 2(87)
11	Mumbai International Airport Private Limited	U45200MH2006PTC160164	Subsidiary	50.50	Section 2(87)
12	GVK Jaipur Expressway Private Limited	U45203AP2002PTC063406	Subsidiary	100	Section 2(87)
13	GVK Deoli Kota Expressway Private Limited	U45209TG2010PTC067999	Subsidiary	99.97	Section 2(87)
14	GVK Bagodara Vasad Expressway Private Limited	U45200TG2011PTC072500	Subsidiary	99.49	Section 2(87)
15	GVK Shivpuri Dewas Expressway Private Limited	U45400TG2011PTC076856	Subsidiary	100	Section 2(87)
16	GVK Energy Ventures Private Limited	U45203TG2004PTC081081	Subsidiary	100	Section 2(87)
Associates (As on March 31,2015)					
1	Bangalore International Airport Limited	U45203KA2001PLC028418	Associate	43	Section 2(6)
2	Seregarha Mines Limited	U10101JH2008PLC013089	Associate	44.45	Section 2(6)

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding:

Category Code	Category of Shareholder	No. of Shareholders	Total Number of Shares	No of Shares held in Dematerialized Form	Total Shareholding as a % of Total No of Shares		Shares Pledge or otherwise Encumbered	
					As a Percentage of (A+B)	As a Percentage of (A+B+C)	Number of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individual /HUF	9	70,88,22,410	70,88,22,410	44.88	44.88	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	2	14,79,06,930	14,79,06,930	9.37	9.37	0	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(1):	11	85,67,29,340	85,67,29,340	54.25	54.25	0	0.00
(2)	Foreign							
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total A(2):	0	0	0	0.00	0.00	0	0.00
	Total A=A(1)+A(2)	11	85,67,29,340	85,67,29,340	54.25	54.25	0	0.00
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds /UTI	5	1,76,54,788	1,76,54,788	1.12	1.12	0	0.00
(b)	Financial Institutions /Banks	7	23,96,431	23,93,431	0.15	0.15	0	0.00
(c)	Central Government / State Government(s)	1	63,30,000	63,30,000	0.40	0.40	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	1	81,82,011	81,82,011	0.52	0.52	0	0.00
(f)	Foreign Institutional Investors	45	18,33,42,677	18,33,42,677	11.61	11.61	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(i)	Others	0	0	0	0.00	0.00	0	0.00
	Sub-Total B(1):	59	21,79,05,907	21,79,02,907	13.80	13.80	0	0.00
(2)	Non-Institutions							
(a)	Bodies Corporate	1787	9,31,48,194	9,26,01,163	5.90	5.90	0	0.00
(b)	Individuals							
	(i) Individuals holding nominal share capital upto Rs.1 lakh	2,88,854	30,91,26,499	30,78,39,240	19.57	19.57	0	0.00
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	204	6,33,15,963	6,33,15,963	4.01	4.01	0	0.00
(c)	Others							
	Non Resident Indians	3,325	2,05,92,741	2,05,05,041	1.30	1.30	0	0.00
	Overseas Corporate Bodies	1	3,75,000	0	0.02	0.02	0	0.00
	Clearing Members	240	57,68,281	57,68,281	0.37	0.37	0	0.00
	Trusts	12	1,22,48,475	1,22,48,475	0.78	0.78	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
	Sub-Total B(2):	2,94,423	50,45,75,153	50,22,78,163	31.95	31.95	0	0.00
	Total B=B(1)+B(2):	2,94,482	72,24,81,060	72,01,81,070	45.75	45.75	0	0.00
	Total (A+B):	2,94,493	1,57,92,10,400	1,57,69,10,410	100.00	100.00	0	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued							
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(2)	Public	0	0	0	0.00	0.00	0	0.00
	Grand Total (A+B+C):	2,94,493	1,57,92,10,400	1,57,69,10,410	100.00	0.00	0	0.00

(ii) Share Holding of Promoters:

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	G Indira Krishna Reddy	23,03,40,730	14.59	0.00	23,03,40,730	14.59	0.00	0.00
2	G V Sanjay Reddy	15,43,34,480	9.77	0.00	15,43,34,480	9.77	0.00	0.00
3	Vertex Projects Limited	14,06,32,430	8.91	0.00	14,06,32,430	8.91	0.00	0.00
4	Krishnaram Bhupal	11,81,55,990	7.48	0.00	11,81,55,990	7.48	0.00	0.00
5	G Aparna Reddy	7,56,45,000	4.79	0.00	7,56,45,000	4.79	0.00	0.00
6	Shalini Bhupal	5,90,77,995	3.74	0.00	5,90,77,995	3.74	0.00	0.00
7	Shriya Bhupal	5,80,65,495	3.68	0.00	5,80,65,495	3.68	0.00	0.00
8	G V Krishna Reddy	78,82,720	0.50	0.00	78,82,720	0.50	0.00	0.00
9	Greenridge Hotels and Resorts Llp	72,74,500	0.46	0.00	72,74,500	0.46	0.00	0.00
10	G V Keshav Reddy	26,60,600	0.17	0.00	26,60,600	0.17	0.00	0.00
11	G Mallika Reddy	26,60,600	0.17	0.00	26,60,600	0.17	0.00	0.00
	Total	85,67,29,340	54.25	0.00	85,67,29,340	54.25	0	0

(iii) Change in Promoters' Shareholding (Specify if there is no Change)

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	No changes in Promoters shareholding during the year			
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No changes in APromoters shareholding during the year			
3	At the end of the year	No changes in Promoters shareholding during the year			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	HSBC Global Investment Funds	11,33,56,052	7.18	11,04,28,344	6.99
2	Copthall Mauritius Investment Limited	2,10,00,000	1.33	1,83,94,477	1.16
3	HDFC Trustee Company Limited	2,00,41,914	1.27	1,70,82,105	1.08
4	GVK Employees Welfare Trust	1,80,83,890	1.15	1,21,75,855	0.77
5	HSBC (Bank) Mauritius Limited	1,78,20,120	1.13	1,58,76,064	1.01
6	Blackrock Global Smallcap Fund	1,47,67,001	0.94	0	0.00
7	MV Scif Mauritius	1,00,03,021	0.63	84,02,444	0.53
8	Sathyamoorthy Devarajulu	1,00,00,000	0.63	0	0.00
9	Blackrock Global Funds	85,37,058	0.54	0	0.00
10	Life Insurance Corporation of India	81,82,011	0.52	81,82,011	0.52
11	Akash Bhansali	0	0.00	82,29,052	0.52
12	Talma Chemical Industries Pvt Ltd	0	0.00	81,82,011	0.52
13	Sushil Sheoduttrai Sanghai	0	0.00	68,25,020	0.43

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
Shareholding of Key Managerial Personnel :					
1	Dr GVK Reddy				
	At the beginning of the year	78,82,720	0.50	78,82,720	0.50
	At the end of the year	78,82,720	0.50	78,82,720	0.50
2	Mr. A Issac George				
	At the beginning of the year	2,700	0.00017	2,700	0.00017
	At the end of the year	2,700	0.00017	2,700	0.00017
3	Mr. P.V. Rama Seshu				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
Shareholding of Directors :					
4	Mr. G V Sanjay Reddy				
	At the beginning of the year	15,43,34,480	9.77	15,43,34,480	9.77
	At the end of the year	15,43,34,480	9.77	15,43,34,480	9.77
5	Mr. Krishnaram Bhupal				
	At the beginning of the year	11,81,55,990	7.48	11,81,55,990	7.48
	At the end of the year	11,81,55,990	7.48	11,81,55,990	7.48
6	Mr. Ch G Krishna Murthy				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
7	Mr. S Balasubramanian				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
8	Mr. S Anwar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
9	Mr. K Balarama Reddi				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
10	Ms. Santha K John				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. Indebtedness:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	53,036	-	-	53,036
ii) Interest due but not paid	533	-	-	533
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	53,569	-	-	53,569
Change in Indebtedness during the financial year				
Addition	26,324	3,390	-	29,714
Reduction	4,821	-	-	4,821
Net Change	21,503	3,390	-	24,893
Indebtedness at the end of the financial year				
i) Principal Amount	74,515	3,390	-	77,905
ii) Interest due but not paid	557	-	-	55
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	75,072	3,390	-	78,462

VI. Remuneration of Directors and Key Managerial Personnel:

A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In lakhs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Dr GVK Reddy, Chairman & Managing Director*	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		0.00
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission - as % of profit - others, specify...		0.00
5.	Others, please specify (perquisites)		0.00
	Total (A)		0.00

* CMD declined to take any salary until the company start making profits.

B) Remuneration to other directors:

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. Ch. G Krishna Murthy	Mr. S Balasubramanian	Mr. S. Anwar	Mr. K Balarama Reddi	Ms Santha K John	
1.	Independent Directors						
	• Fee for attending board/ committee meetings • Commission • Others, please specify	0.80	0.80	0.80	0.40	0.00	2.80
	Total (1)	0.80	0.80	0.80	0.40	0.00	2.80
2.	Other Non-Executive Directors	Mr G V Sanjay Reddy	Mr. Krishna Ram Bhupal	Mrs G Indira Krishna Reddy	-	-	
	•Fee for attending board/ committee meetings •Commission •Others, please specify	0.80	0.60	0.60	-	-	2.00
	Total (2)	0.80	0.60	0.60	-	0.00	2.00
	Total (B) = (1 + 2)	1.60	1.40	1.40	0.40	0.00	4.80

C) Remuneration to Key managerial personnel:

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of KMP		
		P V Rama Seshu GM & CS	A Issac George Director & CFO*	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	35.43	0.00	35.43
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others - Leave Travel Allowance	0.35	-	0.35
	Group Medical Policy	0.12	-	0.12
	Group Personal Accident	0.017	-	0.017
	Total	35.92	0.00	35.92

* Redesignated as Director & CFO with no salary.

VII. Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			None		
Punishment					
Compounding					

Disclosures pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15 (Rs In lakhs)	% Increase in Remuneration in the Financial year 2014-15	Ratio of remuneration of each director/ median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Dr. GVK Reddy* Chairman & Managing Director	--	--	--	Best efforts are being taken to reduce the net losses.
2.	A Issac George** Director & CFO	--	--	--	
3.	P V Rama Seshu GM & Company Secretary	35.92	5%	--	

* CMD declined to take any salary until the company start making profits.

** Redesignated as Director & CFO with no salary.

I. Remuneration to Non-Executive Directors:

- The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.
- Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

II. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

III. Remuneration Policy for Directors, Key Managerial Personnel and other Employees

1. Introduction

GVK Power & Infrastructure Limited (GVK PIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of the Company.

“Key Managerial Personnel” means (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013

“Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity listing Agreement.

4. Policy

Remuneration to Executive Directors and Key Managerial Personnel:

The Board, on the recommendation of the, Nomination and Remuneration (NRC) Committee, shall review and approve the remuneration payable to the Whole- time Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Whole Time Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

5. Policy for Selection of Directors and determining Directors’ Independence

1 Introduction

GVK PIL believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, GVK PIL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

GVK PIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. GVK PIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2 Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3 Terms and References:

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of a company.

“Nomination and Remuneration Committee”(NRC) means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity listing Agreement.

“Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity listing Agreement.

4. Policy

1. Qualifications and criteria

The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the NRC Committee may take into account factors, such as:

- General understanding of the Company
- Business dynamics, global business
- Social perspective
- Educational and professional background
- Standing in the profession
- Personal and professional ethics, integrity and values
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number
- Shall not be disqualified under the Companies Act, 2013
- Shall give his/her written consent to act as a Director
- Shall endeavor to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel
- Shall disclose his / her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his / her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity listing Agreements and other relevant laws. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

2. Criteria of Independence

The NRC shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director.

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Other directorships / committee memberships

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public limited Companies.

A Director shall not serve as an Independent Director in more than 7 listed Companies and not more than 3 listed Companies in case he/she is serving as a Whole-time Director in any listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he/she holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all public limited Companies, whether listed or not, shall be included and all other companies including Private limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

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.

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.

Board of Directors

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, 2015 is 9 (Nine) Directors comprising of Three Promoter Directors, Five Independent Directors and one Non-Independent Director. Among the Directors, Two are Executive (full time) Directors and 7 are Non-executive Directors as on March 31, 2015. 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 as on 31-03-2015.

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. GVK Reddy	Chairman & Managing Director	00005212	All promoter directors are relatives	5	-	-
G V Sanjay Reddy	Vice Chairman NEPD	00005282	All promoter directors are relatives	5	-	-
Krishna Ram Bhupal	NEPD	00005442	All promoter directors are relatives	4	-	-
A Issac George	NID	00005456	None	5	3	-
Ch G Krishna Murthy	NEID	01667614	None	4	-	1
S Balasubramanian	NEID	02849971	None	8	1	-
S Anwar	NEID	06454745	None	1	1	-
K Balarama Reddi	NEID	00012884	None	7		
Santha K John	NEID	00848172	None	3		

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.

*The Board at its meeting held on 29th May, 2014 has approved the resignation of Mr. Shenoy as 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 ii) acting as a chairman in more than five committees across all companies in which he is a director.

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	Mr. G V Sanjay Reddy	Mr. Ch G Krishna Murthy	Mr. S Balasubramanian	Mr. K Balarama Reddi	Ms. Santha K John
Date of Appointment	20-04-2005	24-07-2007	30-04-2010	14-11-2014	31-03-2015
Date of Birth	18-11-1964	09-02-1931	03-11-1942	01-07-1928	05-05-1947
Qualifications	B.Sc (Ind. Engg) (USA), MBA (Finance) (USA)	MA, LLB & Chartered Accountant	ACA, ACS, AICWA & LLB	B.Tech (Electrical Engineering)	BA (Eng.) and IIC & M
Expertise in specific functional areas	Mr. G V Sanjay Reddy is the Vice- Chairman of the Company. He is also the Managing Director of Mumbai Internation 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 was 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.	Ch G Krishna Murthy is a Chartered Accountant and holds a Master's degree in Arts and an LLB degree.	Shri S Balasubramanian, was associated with the Company Law Board as its Member, Vice Chairman and Chairman for over 18 years. He was Director/ Joint Secretary in the Ministry of Programme Implementation from October, 1988 to May, 1991 dealing with monitoring the implementation of public sector projects costing over Rs.1000 million each. Being an officer of Indian Postal Service, he served in various capacities in the Department of Post from 1966 to 1989. He was on deputation to Indian Telephone Industries, Bangalore as the Chief Manager of Governments of Malawi and Brunei Darussalam to advise these Governments for costing and fixation of tariffs for various kinds of postal services. He has also served as the Central Government Nominee on the Central Council of the Institute of Chartered Accountants of India during the period 1999-2000. Presently, he is practicing as a consultant in Corporate Law.	Mr. Reddi has over 40 years of experience in the Indian Power Sector and served as Chairman of Andhra Pradesh State Electricity Board (APSEB) and Central Electricity Authority (CEA). He was member of APSEB for 4 years (1988-92) and its Chairman for 3 years from 1992 to 1995. He had been involved in all aspects of Power Systems development/ utility management. Mr. Reddi was involved in negotiations with IPPs' for setting up Power Projects in Andhra Pradesh. He was also a member of the high-level committee appointed by the Government of Andhra Pradesh to recommend policies and modalities for regulation and restructuring of power sector in the undivided state of Andhra Pradesh. He presented a number of papers in both National and International conferences and also written articles in various journals and Newspapers. He visited a number of countries to attend international conferences for presentation of papers and on study visits.	Ms. John has over 30 years experience in Advertising. She is a serial entrepreneur, having started the branch offices for Sistas Pvt Ltd (one of India's oldest advertising agencies) and Saatchi & Saatchi. She then started her own advertising agency, Mindset Advertising Private Limited in 1998.

Name of the Director	Mr. G V Sanjay Reddy	Mr. Ch G Krishna Murthy	Mr. S Balasubramanian	Mr. K Balarama Reddi	Ms. Santha K John
List of companies in which outside Directorship is held as on 31.03.2015	<ol style="list-style-type: none"> 1. GVK Industries Ltd 2. Taj GVK Hotels & Resorts Ltd 3. GVK Gautami Power Ltd 4. GVK Energy Ltd 5. Bangalore International Airport Ltd 6. GVK Airport Holdings Pvt Ltd 7. Mumbai International Airport Pvt Ltd 8. GVK Jaipur Expressway Pvt Ltd 9. GVK Biosciences Pvt Ltd 10. GVK Davix Technologies Pvt Ltd 11. Inogent Laboratories Pvt Ltd 12. GVK Davix Research Pvt Ltd 13. Nova Technical & Consultancy Services Pvt Ltd 14. GVK Informatics Pvt Ltd 15. GVK Natural Resources Pvt Ltd 	<ol style="list-style-type: none"> 1. Taj GVK Hotels & Resorts Ltd 2. GVK Airport Developers Ltd 3. GVK Energy Ltd 4. Apollo Health & Lifestyle Ltd 	<ol style="list-style-type: none"> 1. Jaypee Infratec Ltd 2. Emami Paper Mills Ltd 3. Machino Plastic Ltd 4. Malnad Projects Pvt Ltd 5. Bangalore International Airport Limited 6. Peerless Hotels Ltd 7. GVK Airport Developers Ltd 8. TTK healthcare Ltd 9. Bangalore Airport Hotel Ltd 	<ol style="list-style-type: none"> 1. Nava Bharat Ventures Limited 2. GVK Industries Limited 3. GVK Gautami Power Limited 4. GVK Jaipur Expressway 5. Nava Bharat Projects Limited 6. Nava Bharat Realty Limited 7. Venkateswara Financiers Hyderabad Pvt Ltd 8. Nava Bharat Energy India Limited 9. Brahmani Infratech Pvt Ltd 10. GVK Energy Limited 11. GVK Ratle Hydro Electric Project Pvt Ltd 	<ol style="list-style-type: none"> 1. JWT Mindset Advertising Pvt Ltd 2. Taj GVK Hotels & Resorts Ltd 3. EYW India Pvt Ltd
Chairman/ Member of the Committees* of other Companies in which he/she is a member as on 31.03.2015			<ol style="list-style-type: none"> 1. Emami Paper Mills Ltd 2. Machino Plastic Ltd 3. Bangalore International Airport Ltd 4. GVK Airport Developers Ltd 5. Peerless Hotels Ltd 		

Board Meetings held during the Year

The Board of Directors met four times during the year on May 29, 2014, August 13, 2014, November 14, 2014 and February 13, 2015. The maximum gap between the two meetings was less than four months.

Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2014-15.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. GVK Reddy	4	4	-	Yes
G Indira Krishna Reddy*	4	3	60,000	Yes
G V Sanjay Reddy	4	4	80,000	Yes
Krishna Ram Bhupal	4	3	60,000	Yes
A Issac George	4	4	-	Yes
Ch G Krishna Murthy	4	4	80,000	Yes
S Balasubramanian	4	4	80,000	Yes
S Anwar	4	4	80,000	Yes
K Balarama Reddi**	4	2	40,000	NA
Santha K John#	4	-	-	NA

* Resigned on 10-12-2014

**Appointed on 14-11-2014

Appointed on 31-03-2015

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.

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. GVK 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..

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 28, 2014, August 12, 2014, November 13, 2014 and February 12, 2015. During the year, Mr. K Balarama Reddi has been appointed as a Member of the Audit Committee. 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
S Balasubramanian	Member	4	3
K Balarama Reddi*	Member	4	1

* Appointed on 14-11-2014

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.

Nomination & Remuneration Committee

During the year, name of this Committee has been re-christened as Nomination & Remuneration Committee and appointed

Ch G Krishna Murthy and K Balarama Reddi as its members. This Committee comprises of following three Non-Executive Independent Directors.

S Anwar	-	Chairman
Ch G Krishna Murthy	-	Member
K Balarama Reddi	-	Member

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors, nomination of Directors / Key Managerial Personnel and one level below the Board along with the heads of department 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.

Shareholders' / Investors' Grievance Committee

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

Ch G Krishna Murthy	-	Chairman
A Issac George	-	Member
S Anwar	-	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 2014-15

Nature of Complaint	Received	Resolved	Pending
Non receipt of Refund Order	0	0	0
For Non receipt of			
- Dividend Warrant	13	13	0
- Annual Report	49	49	0
- Share Certificate	1	1	0
Total	63	63	0

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.

Ch G Krishna Murthy	-	Member
K Balarama Reddi	-	Memberr

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 Eligible Persons.

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 2014-15, no employee has been denied access to the audit committee.

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

Annual General Meetings

Year	Date	Time	Venue
2011-12	08.08.2012	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073
2012-13	12.08.2013	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073
2013-14	13.08.2014	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073

Extraordinary General Meeting / Postal ballot

During the FY 2014-15 the Company had not held any Extra ordinary General Meeting / Postal Ballot.

To widen the participation of shareholders in Company decisions, the Securities and Exchange Board of India has directed top 500 listed companies to provide e-voting facility to their shareholders from October, 2012 onwards, in respect of those businesses which are transacted through postal ballot.

Further, the Companies Act, 2013 and Clause 35B of the Listing Agreement also requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings.

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.

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.

SEBI Complaints Redressal 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.

Managing Director and Person in-charge of finance 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, 2015, 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.

Place : Hyderabad

Date : 16-05-2015

Dr GVK Reddy

Chairman & Managing Director

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, 2015, 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.

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 : 16-05-2015

Narender & Associates
G Narender
FCS-4898
CP:5024

9. General Shareholder Information

1. Annual General Meeting
Day, date and time : Thursday, the August 13th, 2015 at 11:30 am
Venue : Sri Satya Sai Nigamagamam,
8-3-987/2, Srinagar Colony,
Hyderabad - 500 073
2. Book Closure Dates : 10-08-2015 to 13-08-2015 (both days inclusive)
3. Calendar of events
(tentative and subject to change)
for financial reporting for the period ending
 - Jun 30, 2015 : Aug 2015
 - Sep 30, 2015 : Nov 2015*
 - Dec 31, 2015 : Feb 2016*
 - Mar 31, 2015 : May 2016*
 - AGM for 2015-16 : Aug 2016*
(*tentative)
4. Listing of equity shares is at : **The National Stock Exchange of India Limited**
Exchange Plaza, BandraKurla Complex,
Bandra East, Mumbai - 400 051

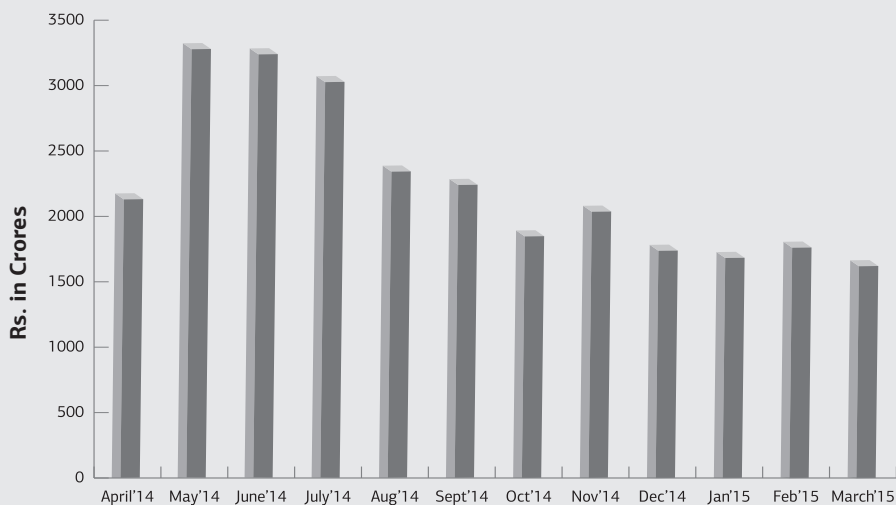
The Bombay Stock Exchange Limited
Floor 25, P J Towers, Dalal Street Fort, Mumbai – 400001

Annual Listing Fee has been paid for the year 2014-15
to both the Exchanges
5. Stock Code : BSE: 532708, NSE: GVKPIL
ISIN : INE251H01024
6. Corporate Identification Number (CIN)
allotted by the Ministry of Corporate Affairs : L74999AP2005PLC059013
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 No. 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
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial Dt,
Nanakramguda, Hyderabad - 500 032.
Phone: 040 - 67161569, Fax : 040 - 23420814
E-mail: mailmanager@karvy.com, website: www.karvy.com
11. Query on the Annual Report
(Shall reach 10 days before the AGM) : P V Rama Seshu,
GM & Company Secretary-Compliance Officer
GVK Power & Infrastructure Limited,
'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003
Ph: 040-27902663/64, Fax: 040-27902665
E-mail : cs.gvcpil@gvk.com

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					

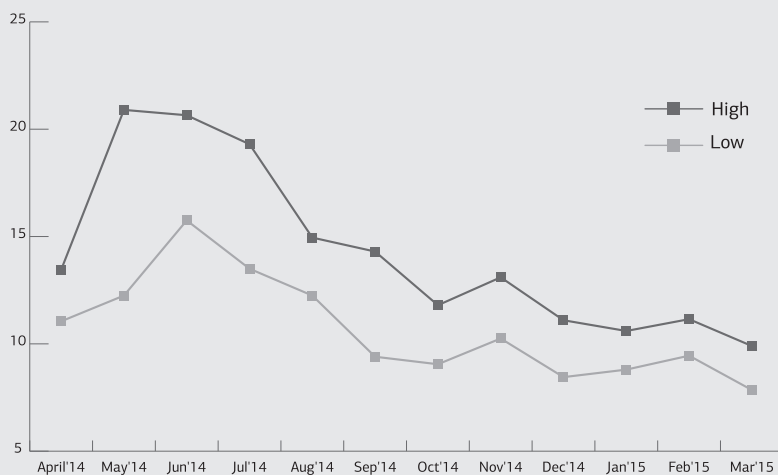
* Effective from 15.02.2008 the face value of the share has been changed from Rs.10/- per share to Re.1/- per share.



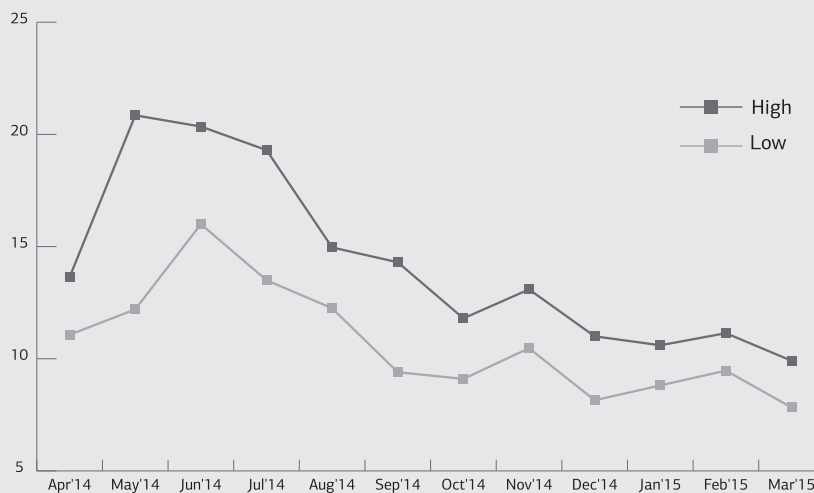
NSE Market Capitalisation Chart

Monthly high, low and trading volume of equity shares of the Company during the financial year 2014-15

Month, Year	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)			Total Volume(Nos)
	High (Rs)	Low (Rs)	Volume (No)	High (Rs)	Low (Rs)	Volume (No.)	BSE & NSE
April, 2014	13.45	11.05	12,57,81,058	13.64	11.07	2,00,84,302	14,58,65,360
May	20.90	12.25	32,08,00,590	20.85	12.20	6,70,60,355	38,78,60,945
June	20.65	15.75	18,66,17,141	20.35	16.00	3,77,14,050	22,43,31,191
July	19.30	13.50	9,90,84,335	19.30	13.50	2,23,19,848	12,14,04,183
August	14.95	12.25	5,88,98,066	14.96	12.25	1,34,09,870	7,23,07,936
September	14.30	9.40	9,75,98,516	14.30	9.40	1,88,20,454	11,64,18,970
October	11.80	9.05	8,73,85,724	11.80	9.10	1,77,76,500	10,51,62,224
November	13.10	10.25	9,59,16,724	13.09	10.47	2,29,54,632	11,88,71,356
December	11.10	8.45	8,19,91,729	11.00	8.15	1,57,30,313	9,77,22,042
January, 2015	10.6	8.8	10,65,47,768	10.6	8.81	1,70,61,971	12,36,09,739
February	11.15	9.45	20,59,72,218	11.14	9.47	1,99,08,115	22,58,80,333
March	9.9	7.85	25,08,87,666	9.91	7.83	3,29,85,309	28,38,72,975



Price Movement in NSE



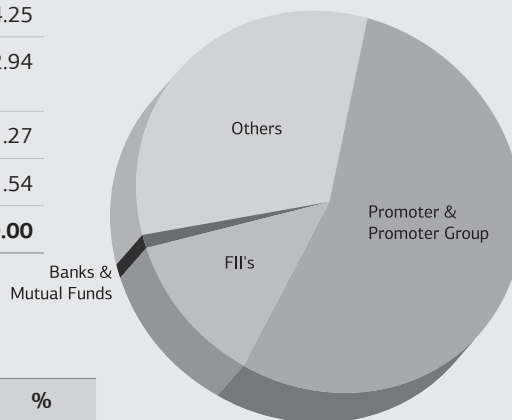
Price Movement in BSE

Category of Shareholding as on March 31, 2015

Category	No. of shareholders	Total shares	% Holding
BANKS	7	2396431	0.15
CLEARING MEMBERS	240	5768281	0.37
DIRECTORS & RELATIVES	8	67600	0.00
FOREIGN INSTITUTIONAL INVESTOR	38	175310988	11.10
FOREIGN NATIONALS	1	2000	0.00
FOREIGN PORTFOLIO INVESTORS	7	8031689	0.51
STATE GOVERNMENTS	1	6330000	0.40
H U F	4610	10702496	0.68
INSURANCE COMPANIES	1	8182011	0.52
BODIES CORPORATES	1787	93148194	5.90
MUTUAL FUNDS	5	17654788	1.12
NON RESIDENT INDIANS	3325	20592741	1.30
OVERSEAS CORPORATE BODIES	1	375000	0.02
PROMOTER DIRECTOR	4	510713920	32.34
PROMOTER INDIVIDUALS	5	198108490	12.54
PROMOTER COMPANIES	2	147906930	9.37
RESIDENT INDIVIDUALS	284439	361670366	22.90
TRUSTS	12	12248475	0.78
Total:	294493	1579210400	100.00

Distribution by category as on March 31, 2015

Category	Number of Shares	% of holding
Promoters & Promoter Group	85,67,29,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	20,43,12,418	12.94
Banks, Mutual Funds etc	2,00,51,219	1.27
Others	49,81,17,423	31.54
Total	157,92,10,400	100.00



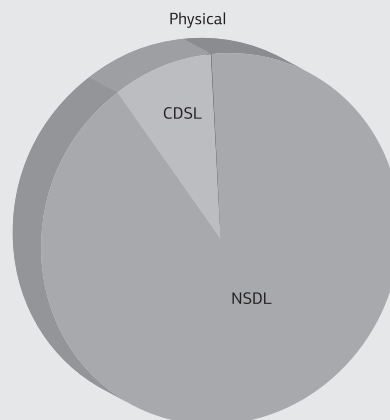
Distribution Schedule as on March 31, 2015

Category	No. of Cases	% of Cases	Amount	% Amount
1 - 5000	2,83,087	96.13	17,05,04,040	10.80
5001 - 10000	6,191	2.10	4,70,59,702	2.98
10001 - 20000	2,738	0.93	4,00,55,092	2.54
20001 - 30000	873	0.30	2,19,97,864	1.39
30001 - 40000	372	0.13	1,32,20,499	0.84
40001 - 50000	310	0.11	1,45,18,573	0.92
50001 - 100000	476	0.16	3,55,45,171	2.25
100001 & ABOVE	446	0.15	1,23,63,09,459	78.29
Total:	2,94,493	100.00	1,57,92,10,400	100.00

De-materialization of shares as on March 31, 2015

Category	Shareholders	Number of Shares	%
NSDL	1,87,036	1,43,72,14,838	91.01
CDSL	1,01,848	13,96,95,572	8.85
Physical	5609	22,99,990	0.15
	2,94,493	1,57,92,10,400	100.00

As on March 31, 2015 over 99.85% of outstanding shares are held in de-mat form and the balance 0.15% in physical form. Trading in equity shares of the Company is permitted only in de-materialised 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 (IIE) 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, 2015.

Place: Hyderabad
Date: May 16, 2015

For GVK Power & Infrastructure Limited
Dr. GVK Reddy
Chairman & Managing Director

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 business operations under different verticals. The Company operates predominantly in Energy, Airports, Transportation and has presence in other business like Resources, Urban infrastructures etc. It conducts and operates its business through 7 subsidiaries, 16 step down subsidiaries and 2 associate companies (as on March 31, 2015). Revenues of the company are derived primarily from the O&M fee, incentives for operating the business of subsidiaries /associate and secondly from the interest income earned out of managing the surplus funds through a better financial planning.

2. The Economy and the Sectoral growth

The annual GDP growth rate of the Country is increased to 7.4% in 2014-15 as compared with 6.9% of the previous year 2013-14. Also, taking into consideration the new regime’s focus on bettering the manufacturing industry in India, it is apposite to expect a potential amelioration in the state of affairs of the Infrastructure industry.

India’s macro-economic prospects have strengthened and the country is best positioned among emerging market economies, gaining global investors’ attention, says a report by ICICI Bank. The improvement in India’s economic fundamentals has accelerated in FY2015 with the combined impact of a strong Government mandate, RBI’s inflation focus supported by benign global commodity prices.

The IMF noted that India saw robust capital inflows in 2014 that resulted in lower vulnerabilities and improved investor sentiment. Strong flows have resulted in capital flows rising to \$344 billion at the end of FY15 from about \$290 billion in FY13

The strong macro-economic factors such as lower twin deficits, that is, fiscal deficit and Current Account Deficit (CAD), falling oil prices and benign inflation have lent a renewed business confidence in the Indian economy.

A) POWER

The Indian power sector is one of the most diversified in the world. Sources for power generation range from conventional ones such as coal, lignite, natural gas, oil, hydro and nuclear power to other viable non-conventional sources such as wind, solar, and agriculture and domestic waste. The demand for electricity in the country has been growing at a rapid rate and is expected to grow further in the years to come. In order to meet the increasing requirement of electricity, massive addition to the installed generating capacity in the country is required.

The Power sector in India had an installed capacity of 267.637 GW as on 31st March, 2015 out of which 63.3% is contributed by the Public sector (both Central and State levels) and 36.7% is by the Private Sector. The 12th Plan expects that the total domestic energy production to reach 669.6 Million Tonnes of Oil Equivalent (MTOE) by 2016–17 and 844 MTOE by 2021–22.

The Thermal Power segment’s generation capacity has witnessed a strong growth. Nuclear power generation is expected to jump by 19.3% in the coming financial year. Indian solar installations are forecasted to be approximately 1,000 megawatt (MW) in 2014, according to Mercom Capital Group, a global clean energy communications and consulting firm. Wind energy market in the Indian economy is expected to attract about Rs.20,000Crores (US\$ 3.16 billion) of investments in next year, as companies across sectors plan to add 3,000 MW of capacity powered by wind energy.

The immediate goal of the government is to produce two trillion units (kilowatt hours) of energy by 2019. This will mean doubling the current production capacity in order to achieve provide 24x7 electricity for residential, industrial, commercial and agriculture use in the Country.

B) AIRPORTS

The Indian civil aviation industry is on a high growth trajectory. India has a vision of becoming the third largest aviation market by 2020 and is expected to be the largest by 2030. In terms of market size, the Indian civil aviation industry is amongst the top 10 in the world with a size of around US\$ 16 billion.

The Government of India (GOI) envisions airport infrastructure investment of US\$ 11.4 billion under the Twelfth Five Year Plan (2012-17). It has opened airport sector to private participation, six airports across major cities are being developed under the

PPP model. It has also allowed 100 per cent foreign direct investment (FDI) under automatic route for Greenfield projects and 49 per cent FDI for foreign carriers.

The Indian aviation sector is expected to see investments worth US\$ 12.1 billion during the Twelfth Five Year Plan. Of the total investment, US\$ 9.3 billion is expected to come from the private sector. Also, the repair and operations (MRO) business in India, which is currently worth US\$ 500 million is estimated to grow over US\$ 1.5 billion by 2020.

C) TRANSPORTATION

India has the second largest road network in the world at 4.7 million km. This network transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic. Road activity has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country.

With automobiles and freight movement also growing at a rapid rate, the necessity for a road network good enough to carry the traffic is paramount. Understanding this need, the Government of India has set aside 20 per cent of the investment of US\$ 1 trillion reserved for infrastructure during the 12th Five-Year Plan (2012–17) to develop the country's roads.

3. Assets under Operation

i) Energy

GVK Gautami Power Ltd

During the year Gautami has operated at a Plant Load Factor of (based on availability declaration of 99.91%) Nil as against 79.52% for the previous year. The Company reports a loss after tax of Rs.(204.74 Crores) for the financial year 2014-15 (PY Rs. (211.03 Cr)

APPCC is not accepting the availability declaration and is also not paying capacity charges. Due to non-availability of gas supplies, the plant was kept under long term preservation mode. To meet the summer demand the DISCOMs have arranged 2.2 mmscmd of RLNG on swapping basis from Rashtriya Chemicals & Fertilizers Ltd (RCF). Out of this 1.0mmscmd is allocated to Gautami Power Project. The plant commenced the power generation on RLNG from 9th April 2015 with one gas turbine (GT) operating at full load.

The Govt of India has announced RLNG scheme for utilization of stranded gas assets and allocated Rs.7,000 Cr from PSDF fund for two years as subsidy to reduce cost of power to DISCOMs. On 12th May, 2015 reverse e-bidding was conducted for 8.9 mmscmd of RLNG. However the bid quantity for 25% PLF did not reach 120% RLNG bid continued and closed at 35% PLF. Jegurupadu phase II secured RLNG for 25% PLF and none for Gautami. Commencement of RLNG operations are expected to start from 1st June 2015.

GVK Industries Ltd

Phase I

During the year Jegurupadu Phase I has operated at a Plant Load Factor (PLF) of 31.11 % as against 52.3% for the previous year. The unit reported a profit after tax of Rs. 59.07 Crores for the financial year 2014-15 (PY Rs. 45.89 Crores). The plant is currently operating at a 50% PLF with restricted supply of gas from GAIL.

Phase II

During the year Jegurupadu Phase II has operated at a Plant Load Factor (PLF) of 99.73% (based on availability declaration) as against 34.11% for the previous year. The unit reported a loss after tax of Rs. (126.85 Crores) for the financial year 2014-15 (PY loss of Rs. 122.30 Crores).

While the plant is declaring availability on alternate fuel from 28th November 2011, APPCC is not accepting the availability declaration and is also not paying capacity charges. Due to prolonged non-operational of plant, the same is kept under long term preservation mode.

ii) Airports

Mumbai International Airport Pvt Ltd (MIAL)

During the year MIAL handled 36.64 Mio (PY 32.22 mio) passengers 269,456 ATMs (PY 260,666 ATMs) and 694,261 MT (PY 648,742 MT) of Cargo reflecting an increase of 14.00%, 13.70% and 7% in passenger traffic, ATMs and cargo respectively.

The company reported a loss after tax of Rs. (319.22 Crores) for the financial year 2014-15 (PY Rs. 212.05 crores).

The ongoing expansion is likely to be completed by the end of 2015. Once this is completed the fully modernized T2 will cater both the needs of domestic and international passengers.

Bangalore International Airport Ltd (BIAL)

BIAL handled 15.40 Mio (PY 12.87 mio) passenger traffic, handled 134,209 ATMs (PY 118,575 ATMs) and 279,532 MT (PY 242,426 MT) of Cargo resulting an increase of 19.70%, 13.20% and 15.30% respectively. The company reported a profit after tax of Rs. 75.31 Crores for the financial year 2014-15 (PY Rs. 67.11 crores).

With the completion of the expansion of existing Terminal 1A, the airport is set to handle around 20 million passengers per year. During the year the company has already crossed 15 million passenger capacity and became 3rd busiest airport in the country. The Company has initiated to expand the airport by setting up parallel runway in the next expansion programme, so as to handle the passenger capacity of 30-35 million.

iii) Transportation

GVK Jaipur Expressway Pvt Ltd

During the FY the gross toll revenue recorded is Rs.299.77 crores (PY Rs.271.77 crores) registering an increase of 11.03%. The company reported a profit after tax of Rs. 48.61 Crores for the financial year 2014 -15 (PY Rs. 54.63 Crores).

During the year the company paid an amount of Rs. 41.91 crores to NHAI as their revenue share (PY Rs. 36.80 crores) since the toll revenues are beyond a threshold limit. The average traffic on this expressway is 27,996 vehicles per day in FY 15 compared to 26,671 vehicles per day in FY 14. The average toll collection per day during FY 15 is 82.17 lakhs compared to Rs. 79.08 lakhs in FY 14.

4. Assets under Development

i) Energy

Alaknanda Hydro Power Company Limited

The construction of 330MW Shrinagar Hydro Electric Project is almost completed with minor pending works. The restoration and erection works for all the four units of 82.5MW each have been completed in a phased manner.

Having finished the transmission lines, Unit I & III have been commissioned and synchronized with grid on 23rd April, 2015 and 2nd May, 2015 respectively. The remaining Unit II and Unit IV are likely to be synchronized with the grid by end of May or early June 2015.

Once the monsoon season begins, there will be continuous flow of water into the reservoir which will help to maintain the continuous generation of power. The company is expected to have reasonable flow of revenues from the second half of the current financial year.

GVK Power (Goindwal Sahib) Limited

The Company has completed all the construction activities etc. and is ready to declare commercial operations of Unit I and II. Due to cancellation of dedicated captive Tokisud Coal Mines by Hon'ble Supreme Court, the company is waiting for a firm commitment of coal linkage from Govt of India with the support of Govt of Punjab. Once the same is in place the company will start commercial operations.

GVK Coal (Tokisud) Company Private Limited

The Supreme Court of India has cancelled various coal mine allotments and directed the Govt of India to allot those cancelled mines through fresh biddings. Your company has participated in the bidding process for Tokisud north & Amelia coal mines. Even though we have been qualified for Tokisud North coal mine we couldn't succeed in retaining the mine due to unreasonable and unviable bidding by others. The Tokisud north coal mine was thereafter allocated to Essar Power Madhya Pradesh Limited (successful bidder) and the nominating authority has issued vesting orders to them on 23rd March 2015. Accordingly your company has handed over all the documents as listed in the vesting order under protest to Essar on 4th April,2015.

The company was not in agreement with the assessed value of the Tokisud north coal mine given by the nominated authority

and had filed writ petition before the Hon'ble High court of Delhi. The petition was admitted and final hearings were completed during April, 2015. After hearing all the parties, the High Court has reserved the Judgment.

Seregarha Mines Limited

Seregarha Mines Limited is also cancelled by the Hon'ble Supreme court of India. Since this coal block is not listed under Annexure I and II of the Supreme court orders, no fresh bidding process is contemplated by the Govt of India and the company is not willing to participate in this mine, in reallocation process if any, in future.

GVK Ratle Hydro Electric Project Pvt Ltd

Due to frequent local disturbances at Project site for employment and for Rehabilitation & Resettlement packages, the ongoing works have been affected and were subsequently stopped since July, 2014 and the Company is in discussions with the PFC (project lender) to restart the works.

GVK Power (Khadur Sahib) Pvt Ltd

No further progress is envisaged till the coal allocation / linkage is obtained.

ii) Airports

I Gusti Ngurah Rai International Airport in Bali, Indonesia

PT GVK Services Indonesia ("GVK Indonesia") has entered into a Management Services Agreement with Angkasa Pura Airports on November 1, 2012 for Commercial and Operation Development of Commercial Facilities at I Gusti Ngurah International Airport, Bali (the "Management Services") for a period of five years effective from December 1, 2012 with a ROFR for extension for another five years. PT GVK Services Indonesia is eligible to receive Management Fee from Angkasa Pura Airports. All operating and capital expenses will be borne by Angkasa Pura Airports.

Development of Greenfield International Airport at Yogyakarta, Java in Indonesia

GVK PIL entered into a binding term sheet with Angkasa Pura Airports that provides exclusivity to GVK on the Yogyakarta Airport Project, to negotiate terms of shareholder agreement and definitive transaction documents and other terms.

Feasibility study and a master plan have been completed for the Project; location permit has been granted for the project by Ministry of Transportation; land acquisition process has been initiated by Angkasa Pura Airports. Obstacle Clearance certificate has been issued by Ministry of Transportation on October 20, 2014. Discussions are underway between Angkasa Pura Airports and GVK for appointing consultants to update the master plan and implementation plan.

Property Development Projects in Indonesia

Angkasa Pura Airports and GVK Airport International Pte Ltd. entered into MOU on July 2, 2013 to jointly develop real estate property owned by Angkasa Pura Airports in Indonesia for a period of 12 months. MOU has been extended for a further period of 24 months from July 1, 2014.

iii) Transportation

GVK Deoli Kota Expressway Pvt Ltd

The company is implementing 83.04 km of road between Deoli - Kota, Section of National Highway No.12 in the State of Rajasthan is nearing completion with most of the road work, Toll plazas and structures have been completed and the company is expected to commence the planned partial commercial operations during the first/second of FY 2015-16 upon receipt of the provisional completion certificate from Independent engineer. Thereafter the company is expected to generate revenues out of this project.

GVK Bagodara Vasad Expressway Pvt Ltd

The 6 laning of existing three lanes for Bagodara-Wataman-Tarapur-Vasad Road SH-8 Km.0/0 to Km 101/9 in the State of Gujarat on Build, Operate and Transfer (BOT-Toll) Basis is going with a slow pace due to delay in land acquisition and delay in obtaining possession of encumbrance free right of way. Most of the other works like shifting of utilities, dismantling of structures are in progress.

iv) Others :

GVK Oil & Gas Limited:

As informed during last year the company couldn't go ahead with the remaining works in 7 deep water blocks under NELP due to denial of access by Indian navy resulting in force majeure conditions in these blocks. As a result of this all blocks were surrendered after giving a termination notice. During the year the Company has written off....

Future of Public Private Partnership

The PPP model was introduced by UPA Government at the Centre for developing some of the major facilities including airports and metros. The model worked well in some cases but in some others, there arose a number of issues which could not be addressed properly. The major problems faced by PPP projects are that they are usually long-term in nature and a number of factors including cost of materials, policies and even economic conditions can change while the project is underway.

Considering the infrastructural growth needed to drive the economy further, the newly formed NDA Government has also come up with a number of proposals in the Union Budget in which PPP model would be implemented to help achieve better and faster results. With more than 900 infrastructure projects are underway in the country, PPP model holds great potential, but we must work to remove the inefficiencies in its implementation and develop a responsive dispute redressal mechanism. To this end, the Central Government announced the setting up of an exclusive institution called 3P India with a budget allocation of Rs.500 Crores which would be responsible for resolving any disputes and issues arising in the planning and implementation of Public Private Partnership model. If the initiative to set up a sophisticated mechanism for resolving such issues in implementation of PPP model is successful, it can attract big investments from private sector and lead to fast-paced development of infrastructure.

5. Risks and Concerns

Energy

All the gas based power projects in the country are facing acute shortage of gas supplies. The projects which had gas supplies from KG-D6 block are completely shut down and are kept under long term preservation mode. Domestic gas supplies are expected to improve in the year 2019 based on the projections made by Ministry of Petroleum & Natural Gas.

Government of India announced a scheme for utilization of stranded gas assets in March 2015, to import RLNG to operate the stranded gas based projects at about 30% plant load factor (PLF).

In order to minimize the impact of power purchase to the DISCOMs, the cost of power to be sold to DISCOMs is capped at Rs.5.5 per unit. The project developers are required to quote the subsidy required (over and above the cost of Rs.5.5 per unit) from the Power System Development Fund (PSDF). The developers are required to bid for RLNG quantity, indicating the MUs that will be generated and the subsidy required for generation, for a quantity of RLNG to achieve a maximum PLF of 30% in a given slot. The support from PSDF is fixed at Rs. 3500 crore and Rs. 4000 crore for FY 2015-16 and FY 2016-17 respectively.

In May 2015, Ministry of Power (MoP) conducted the reverse e-bidding for PSDF support for the period of June to September 2015 and the imported RLNG is being supplied to the successful bidders. Bidding for subsequent periods will be conducted by MoP.

The stranded projects of our company – the 220 MW Jegurupadu Phase II and the 469 MW Gautami Project will be participating in the bidding for RLNG quantity and there will be severe competition to win the bid. If successful, these projects are expected to operate at about 30% PLF. The revenue earned will be utilized for the payment of fuel, O&M expenses and to service the debt. As per the scheme, no return on equity is envisaged.

Airport

There are huge prospects and possibilities of growth of the Indian aviation industry. The gap between potential and the current air travel penetration shows that India is far behind advanced countries. The low ratio of per capita air trips suggests a huge potential for the air traffic growth in the country coupled with necessary government support. To make the growth in the sector equitable and inclusive, there is a requirement to provide connectivity to smaller cities and remote and difficult areas of the country.

The Indian aviation industry has to work as catalyst to India's growth. Some recent initiatives such as allowing import of ATF are a step in right direction but more proactive measures are needed in order to make the industry more competitive and

investor friendly. The positive implications of allowing 49% FDI in Indian airlines are slowly becoming evident. Restrictive bilateral regime also needs to be liberalized and VAT on ATF needs to be reduced to lower the air travel cost.

Transportation

All investment projects involve some risk, but infrastructure projects in countries like India are perceived as unusually vulnerable to risks, which constrains financing. Risks are perceived as high partly because projects are typically undertaken not by established utility companies with strong balance sheets but by special purpose companies executing individual projects on a build-operate-transfer or build-own-operate basis. Generally, equity investors may be willing to accept higher levels of risk in return for higher expected returns on their equity, but lenders typically have a lower tolerance for risk and a greater need for risk mitigation mechanisms. Although governments conduct project negotiations with the sponsors, it is the lenders behind the scenes who set risk mitigation standards and determine whether projects are financially viable or not.

Most of the infrastructure projects are of high capital intensity and long payback periods. Due to these factors interest rate can vary during the life of the project. Road projects may have high construction risks, low operating risks, and high market risks. Therefore, the Government should keep these factors in mind and extend its support in every possible manner for speedy and timely implementation of the projects.

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. 4,432 lakhs as compared to Rs. 5,919 lakhs of the previous year.

Expenditure

The Company's total expenditure, comprising of staff costs and other administrative expenses, increased by 37.68% to Rs. 921 lakhs for the year ended March 31, 2015 from Rs. 669 lakhs when compared to the previous year ended March 31, 2014. Advances written off for the year ended March 31, 2015 is Rs. 7,590 lakhs.

Interest

Interest expenses stood at Rs.7,685 lakhs (previous year figure was Rs. 5,799 lakhs)

Profit before tax (PBT)

PBT is Rs. (11,794) lakhs for the current year from Rs. (567) lakhs in the previous year.

Profit after tax

The Company's profit after tax is Rs. (12,983) lakhs for the year ended March 31,2015 from Rs. (2,343) lakhs as compared to the previous year.

EPS

The earnings per share for the current year stood at Rs. (0.82) as compared to Rs. (0.15) 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, 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) Airports and d) Other sectors.

Revenue

The Company reported gross revenue of Rs. 313,630 lakhs for 2014-15 compared to Rs. 294,159 lakhs in the previous year.

Profit after tax

The Company reported profit after tax and minority interest of Rs. (83,468) lakhs for 2014-15 as compared to Rs. 36,867 lakhs in the previous year.

Earning Per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs. (5.29) as compared to Rs. (2.33) per equity share of Re.1/- each in the previous year.

Net Worth

The net worth in the current year stands at Rs. 193,868 lakhs as compared to Rs. 277,818 lakhs in the previous year.

7. Clean Development Mechanism

The Clean Development Mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of Carbon-di-oxide (CO₂). These CERs can be traded and sold, and used by industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol.

The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets.

Three of the group companies i.e. GVK Industries Ltd (Phase II), GVK Gautami power Ltd and Alakananda Hydro Power Company Ltd were registered with UNFCCC and as such these projects are eligible for CER credits. In respect of GVK Ratle Hydro Electric project Private limited, as discussed in last Annual Report the registration process under UNFCCC is under progress.

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

The total number of employees of GVK at the corporate office and projects sites as on March 31, 2015 stands at 2,000 approximately. Your company periodically reviews the requirement of these employees across various projects based on the need and necessity. The optimal utilization of the human resources with multi-tasking is what is being emphasized across the group.

10. Future Outlook

The ever changing equations in the economic and the free fall of rupee and the rate of inflation are posing a big challenge across the business and to the Government. Managing these appropriately, with more stringent and firm actions will help the country to make further progress in the infrastructure development. Your company aims to contribute whatever it could do from its side for the better development of infrastructure facilities. Raising finances in this tough time is posing a tough challenge to everyone and your company is positive to meet all its financial obligations in time by following best options available before it. Keeping this in mind, your company carefully examines every opportunity that comes before it while leaving the others which are not viable. Your company is making all the possible efforts to reduce its losses by one or more actions including raising funds from the market through a QIP issue and dilution of equity holding in its subsidiaries particularly airport vertical.

11. Cautionary 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.

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GVK Power & Infrastructure Limited (hereinafter referred to as "the Holding Company" or "the Company"), its subsidiaries (collectively, "the Group"), its associates and jointly controlled entity comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associates and jointly controlled entity in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its associates and jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion:

- (a) As discussed more fully in Note 37 to the consolidated financial statements, termination notice has been served by GVK Oil & Gas Limited, a subsidiary company, involved in oil & gas activity on Ministry of Petroleum and Natural Gas (Ministry) for termination of productions sharing contract. The Management believes that Ministry will reimburse such subsidiary for costs incurred by it and accordingly no adjustment is required to carrying value of assets of Rs. 10,725 lakhs. However, in the absence of sufficient appropriate evidence in this regard, we are unable to comment upon recoverability of such assets together with

consequential impact, if any, arising out of the same in these accompanying consolidated financial statements. Our audit report for previous year was also qualified in respect of this matter.

- (b) As discussed more fully in Note 42 to the consolidated financial statements, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 35,575 lakhs. In the absence of appropriate evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying consolidated financial statements.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at March 31, 2015, of their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- a. Note 17 (i) (a) to the consolidated financial statements, regarding outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 aggregating to Rs. 4,512 lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company;
- b. Notes 17(i) (b), (c) and (d) to the consolidated financial statements, regarding outstanding minimum alternate tax amounts claimed for reimbursement, disincentives recoverable and other receivable aggregating to Rs. 3,530 lakhs, Rs. 3,022 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;
- c. Note 36 to the consolidated financial statements, regarding uncertainty towards supplies/availability of natural gas to power generating plants and power projects under construction of GVK Industries Limited and GVK Gautami Power Limited, subsidiary companies. The Management of the subsidiary companies is confident of obtaining the requisite gas allocation/recover fixed charges and accordingly believes that fixed assets with carrying value of Rs. 211,907 lakhs are recoverable in normal course of business. Further, Management based on its rights under power purchase agreement to recover capacity charges believes that the subsidiary companies will continue to be in operation in foreseeable future despite continued losses;
- d. Note 39 to the consolidated financial statements, regarding GVK Coal Singapore Pte. Limited whose net liabilities exceeds net assets by USD 885 million (Rs. 553,929 lakhs) as at June 30, 2014 and in which the Company has made investments of Rs. 33,318 lakhs and provided guarantees and commitments for loans of Rs. 653,448 lakhs borrowed by GVK Coal Singapore Pte. Limited as at March 31, 2015;
- e. Note 38 to the consolidated financial statements, regarding application made by company for the waiver of excess managerial remuneration for the year ended March 31, 2013 amounting to Rs. 21 lakhs paid to a director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956;
- f. Note 44 to the consolidated financial statements, regarding the uncertainty faced by coal plant with carrying value of Rs. 388,986 lakhs of subsidiary company towards supply of fuel. However, due to rights available under power purchase agreement whereby a petition has been filed with the regulatory authority and is pending hearing by the said regulator, new coal linkages obtained and other reasons mentioned in the aforesaid note, Management believes that cancellation of coal mine will not impact the operations of the subsidiary company and accordingly no adjustments are considered necessary in these consolidated financial statements.
- g. We have relied on the Auditor's report of an associate company and a subsidiary company and as stated in other matters paragraph below includes matters, in respect of which such Auditors report included Emphasis of Matter as given below:
 - ii. Note 41 to the consolidated financial statements, the associate company in the previous year, accounted for depreciation as per its accounting policy which was in accordance with the requirements of Schedule XIV of the Companies Act, 1956.

The associate company computed and accounted for deferred tax amounting to Rs. 2,150 lakhs as at March 31, 2014 after considering reversal of temporary timing differences during the tax holiday period upto financial year 2021-22, based on the revised useful lives of fixed assets, as approved by the Board of Directors vide a circular resolution dated April 22, 2014. The revised useful lives of fixed assets was effective from April 01, 2014 and was in accordance with Part C of Schedule II of the Companies Act, 2013 ("the Act")

However, during the current year, the Airport Economic Regulatory Authority ('AERA') in its Order No. 08/2014-15 dated June 10, 2014 issued to the associate company has stated that it has initiated the process to issue a notification on the useful lives for airport specific assets based on the guidance provided in Part B of Schedule II of the Act. Accordingly, the circular resolution as mentioned in the above paragraph was cancelled during the Board of Directors meeting held on August 04, 2014. We have been informed by the Management that pending notification of such useful lives of fixed assets by AERA, the associate company would continue to follow the useful lives of fixed assets as per the existing accounting policy and has accounted for deferred tax as at March 31, 2015 aggregating Rs. 15,870 lakhs after considering reversal of temporary timing differences during the tax holiday period upto financial year 2021-22, based on the current useful lives of the fixed assets. Pending the aforesaid notification from AERA any impact on the depreciation, book value of fixed assets and the consequential impact on taxes including deferred taxes is currently not ascertainable.

- ii. Note 14 to the consolidated financial statements, the subsidiary company pending the resolution of matters referred to in the aforesaid note is of the view that expenditure of Rs. 1,104 lakhs incurred till date is good of recovery.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, notification, legal interpretations and resolution of uncertainty around availability of gas and coal and coal prices, as referred to in the relevant notes to the consolidated financial statements referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the consolidated financial statements. Our opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries, joint controlled entity and associates incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, to the extent applicable, we report that
 - (a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, we/the other auditors whose reports we have relied upon obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described in the Basis for Qualified Opinion paragraph above and matters described in sub-paragraphs (a) to (d) and (f) under the Emphasis of Matter paragraph and paragraphs viii and ix, to statement on the matters specified in paragraphs 3 and 4 of the Order above, in our opinion, may have an adverse effect on the functioning of the Group and jointly controlled entity;
 - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section

139 of the Act, of its subsidiary companies, joint controlled entity and associate companies incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled entity incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;

- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above and paragraph vi, to statement on the matters specified in paragraphs 3 and 4 of the Order above; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entity – Refer Note 28 to the consolidated financial statements;
 - ii. the Group, its associates and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, joint controlled entity and its associates incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of Rs. 1,877,688 lakhs as at March 31, 2015, and total revenues and net cash inflows of Rs. 67,307 lakhs and Rs. 12,969 lakhs respectively for the year ended on that date, in respect of twenty five subsidiaries and one jointly controlled entity, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The accompanying consolidated financial statements include total assets of Rs.1,245,656 lakhs as at March 31, 2015, and total revenues and net cash outflows of Rs. 237,658 lakhs and Rs. 15,304 lakhs respectively for the year ended on that date, in respect of a subsidiary, which has been audited by S R B C & Co LLP jointly with other auditors. Further, the consolidated financial statements also include the Company's share of net profit of Rs. 3,220 lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of three associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled entity, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

per **Vikas Kumar Pansari**

Partner

Membership No.: 093649

Place: Hyderabad

Date : May 16, 2015

Annexure referred to in our report of even date

GVK Power & Infrastructure Limited ("Holding Company") and its subsidiaries, associates and joint controlled entity incorporated in India and to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report). Refer Annexure A below for list of Covered entities. Our reporting, hereunder, in so far as it relates to the aforesaid subsidiaries, jointly controlled entity and associates is based solely on the reports of the other auditors who audited the financial statements of these subsidiaries, jointly controlled entity and associates.

- (i) (a) The Holding Company and Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets wherever applicable, except in case of MIAL, a subsidiary, which has maintained proper records except for non-recording of quantities in respect of fixed assets other than buildings.
- (b) Fixed assets have been physically verified by the management of the Holding Company and the Covered entities during the year wherever applicable. In case of MIAL, a subsidiary and BIAL, an associate, fixed assets have been physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years/reasonable intervals, which is reasonable having regard to the size and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year. No material discrepancies have been noticed on such verification.
- (ii) (a) The management of the Holding Company and Covered entities wherever applicable have conducted physical verification of inventory at reasonable intervals during the year. In respect of MIAL, a subsidiary, inventories lying with outside parties have been confirmed by them as at the year end.
- (b) Read with (ii) (a) above, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Covered entities and the nature of their business.
- (c) Read with (ii) (a) above, the Covered entities are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and the Covered entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable 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 Holding Company and the Covered entities and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, wherever applicable to the nature of the business. However, in case of BIAL, an associate, alternative quotes were not obtained for certain items owing to those being specialized and proprietary in nature. During the course of our audit no major weakness was observed or continuing failure to correct any major weakness in the internal control system in respect of these areas.
- (v) The Holding Company and the Covered entities have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Holding Company and Covered entities have maintained cost records under clause 148(1) of the Companies Act, 2013, for the products/services wherever applicable except for BIAL, an associate, has informed that it will initiate the process of maintaining the cost records required as per the Rules for the applicable services. Therefore other auditor has not been able to examine the cost records.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases in respect of three Covered entities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and Covered entities.
- (c) According to the records of the Holding Company and the Covered entities, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

(a) GVKPIL, Holding Company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
The Finance Act, 1994	Service Tax	707	July 1, 2003 to March 31, 2012	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 08-09	Income tax Appellate Tribunal
Income Tax Act, 1961	Income tax liability	10	Assessment Year 09-10	Commissioner of Income tax (Appeals) -Visakhapatnam
Income Tax Act, 1961	Income tax liability	279*	Assessment year 10-11	Income tax Appellate Tribunal, Visakhapatnam
Income Tax Act, 1961	Income tax liability	11*	Assessment year 11-12	Commissioner of Income tax (Appeals) -Visakhapatnam
Income Tax Act, 1961	Income tax liability	44	Assessment year 12-13	Commissioner of Income tax (Appeals) -Visakhapatnam

*Paid under protest/refund adjusted.

(b) GVKEL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
The Finance Act, 1994	Service Tax	159	November, 2010 to March, 2012	Central Excise and Service Tax Appellate Tribunal, Bengaluru
The Finance Act, 1994	Service Tax	147	April, 2012 to March, 2013	Central Excise and Service Tax Appellate Tribunal, Bengaluru
The Finance Act, 1994	Service Tax	122	April, 2013 to March, 2014	Commissioner of Central Excise & Customs, Visakhapatnam

(c) GVKGPL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	1,669	Assessment Year 11-12	CIT (Appeals), Hyderabad

(d) GVKIL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	477	Assessment Year 10-11	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income-tax	5,502	Assessment Year 11-12	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income-tax	2	Assessment Year 12-13	CIT (Appeals), Hyderabad

(e) AHPCL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	0	Assessment Year 09-10	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income-tax	3	Assessment Year 10-11	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income-tax	117	Assessment Year 11-12	CIT (Appeals), Hyderabad
Income Tax Act, 1961	Income-tax	75	Assessment Year 13-14	Deputy Commissioner of Income tax, Hyderabad

(f) GVKTPL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	240	Assessment Year 13-14	CIT (Appeals), Hyderabad

(g) GVKJEPL, Subsidiary Company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	30	Assessment Year 07-08	ITAT, Jaipur
Income Tax Act, 1961	Income-tax	29	Assessment Year 07-08	AO, Jaipur
Income Tax Act, 1961	Income-tax	130	Assessment Year 09-10	ITAT, Jaipur

(h) GVKADL, Subsidiary Company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	0	Assessment Year 12-13	CIT (Appeals), Hyderabad

(i) MIAL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income tax	5,764	Financial year 2007-08 to 2011-12.	Commissioner of Income Tax Appeals and ITAT, Mumbai
Finance Act, 1994	Service tax	10,964	April, 2009 to February, 2013	Commissioner of Service tax and CESTAT, Mumbai

(j) GVKOGL, subsidiary company

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Finance Act, 1994	Service tax	82	Financial year 2008-09	Commissioner of Service tax, Hyderabad
Income Tax Act, 1961	Income tax	84	Assessment Year 09-10	ITAT, Hyderabad

(k) BIAL, an associate company*

Name of the statute	Nature of dues	Amount in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
Income Tax Act, 1961	Income tax	684	2005-06	High Court of Karnataka
Income Tax Act, 1961	Income tax	267**	2009-10	Income tax Appellate Tribunal (ITAT)
Karantaka Special Tax on Entry of Certain Goods Act, 2004	Special entry tax	213	2006-07	High Court of Karnataka
Karnataka Panchayath Raj Act, 1993	Property tax	1,462	2010-13	Anneshwara Gram Panchayath
Karnataka Panchayath Raj Act, 1993	Property tax	153	2010-13	Bettakotte Gram Panchayath
Finance Act, 1994	Service tax including interest and penalty	915	2005-09	Customs Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service tax including interest and penalty	164	2009-10	Customs Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service tax including interest and penalty	72	2010-11	Customs Excise and Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service tax including interest and penalty	105	2009-12	Customs Excise and Service Tax Appellate Tribunal, Bengaluru

* The amounts reported in this table are full amounts as reported by the other auditor who audited the financial statements of the associate company.

** Out of the above, an amount of Rs. 125 Lakhs has been paid under protest.

(d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) Without considering the consequential effects, if any, of the matter(s) stated in Basis of Qualified opinion paragraph of our auditors' report, the accumulated losses of the Holding Company at the end of the financial year are less than fifty per cent of its net worth but it had incurred cash losses in the current and immediately preceding financial year. Further, basis our audit and the reports of other auditors who audited the financial statements of certain Covered entities (a) some of the Covered entities have been incorporated for less than five years and hence we are not required to comment under clause (viii) of the Order, (b) some Covered entities have accumulated losses less than fifty percent of their respective net worth while the other Covered entities have accumulated losses in excess of fifty percent of their respective net worth, (c) some Covered entities have incurred cash losses while other haven't incurred cash losses in the current year, (d) some Covered entities have incurred cash losses while other haven't incurred cash losses in the immediately preceding financial year, and (e) some Covered entities have incurred cash losses while other haven't incurred cash losses in the current and immediately preceding financial year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, the Holding Company and certain Covered entities have delayed in repayment of dues to financial institutions and banks. The Holding Company and the Covered entities have not issued debentures. The following is the summary of the same:

a) GVKPIL, Holding Company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from banks	April, 2014 to July, 2014, November, 2014 to March, 2015	2,463	2 to 5 days
Interest on loans from banks	August, 2014, January, 2015, February, 2015	662	6 to 15 days
Interest on loans from banks	August, 2014 to October, 2014, January, 2015 to February, 2015	1,363	30 to 60 days
Principal due on loans from banks	Due on December 2, 2014	3,333	119 days
Principal due on loans from banks	Due on March 2, 2015	3,333	Unpaid as at 31-Mar-15*

* Subsequently paid on April 27, 2015.

b) GVKEL, subsidiary company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from financial institution	April, 2014 to June, 2014	118	93 days
Interest on loans from financial institution	July, 2014 to September, 2014	553	177 days
Interest on loans from financial institution	October, 2014 to December, 2014	569	85 days

c) GVKIL, subsidiary company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from financial institution	April to June, 2014 and February to March, 2015	175	1-5 days
Interest on loans from financial institution	July, 2014 to January, 2015	136	> 15 days
Interest on loans from financial institution	August, 2014	46	6-10 days
Interest on loans from financial institution	January, 2015	38	11-15 days
Interest on loans from financial institution	July, 2014 and September, 2014 to December, 2014	210	>15 days
Interest on loans from banks	March, 2014, August, 2014, November, 2014 and January to February, 2015	648	1-5 days
Interest on loans from banks	September, 2014, November to December, 2014 and January to February, 2015	339	6-10 days
Interest on loans from banks	May, 2014, October to December, '2014 and February, 2015	148	11-15 days
Interest on loans from banks	March, 2014 to March, 2015	2,630	>15 days
Principal due on loans from banks	Due on March 30, 2015	248	1 day

d) AHPCL, subsidiary company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from banks	January and February, 2015	2,955	Upto 59 days
Interest on loans from financial institution	January and February, 2015	3,755	Upto 59 days

e) GVKPGSL, subsidiary company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from banks	October, 2014 to March, 2015	6,772	Upto 151 days
Interest on loans from financial institution	October, 2014 to March, 2015	2,812	Upto 151 days

f) GVKBEPL, subsidiary company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from banks	February and March, 2015	250	Upto 31 days
Interest on loans from financial institution	December, 2014 to March 2015	332	Upto 91 days

g) GVKADL, subsidiary company

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from financial institution	November, 2013 to January, 2014	1,487	262 days
Interest on loans from financial institution	February, 2014 to April, 2014	1,399	288 days
Interest on loans from financial institution	May, 2014 to July, 2014	1,755	196 days
Interest on loans from financial institution	August, 2014 to October, 2014	1,755	104 days
Principal due on loans taken from financial institutions	Due on October 31, 2014	1,242	104 days
Penal interest	Upto October, 2014	850	104 days
Interest on loans from financial institutions	November, 2014 to January, 2015	1,699	Unpaid as on 31-3-2015
Principal due on loans taken from financial institutions	Due on January 31, 2015	1,242	Unpaid as on 31-3-2015
Penal interest	Upto March, 2015	140	Unpaid as on 31-3-2015
Interest on bank overdrafts	March, 2015	141	5 days
Interest on bank overdrafts	February, 2015	86	33 days
Interest on bank overdrafts	January, 2015	15	64 days
Interest on bank overdrafts	December, 2014	14	95 days
Principal due on bank overdrafts	January, 2015	57	66 days
Principal due on bank overdrafts	December, 2014	68	96 days

- (x) According to the information and explanations given to us, wherever applicable, the Holding Company and the Covered entities have given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company and the Covered entities.
- (xi) Based on the information and explanations given to us by the management, wherever applicable, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the Covered entities.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management, which we have relied upon, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

per **Vikas Kumar Pansari**

Partner

Membership No.: 093649

Place: Hyderabad

Date : May 16, 2015

Annexure A

S.No.	Name of the consolidated entity	Nature of Interest	% of interest at March 31, 2015
1.	GVK Industries Limited ("GVKIL")	Subsidiary	73.94
2.	GVK Jaipur Expressway Private Limited ("GJEPL")	Subsidiary	100.00
3.	Alaknanda Hydro Power Company Limited ("AHPCL")	Subsidiary	73.94
4.	GVK Power (Goindwal Sahib) Limited ("GVKPGSL")	Subsidiary	73.94
5.	GVK Coal (Tokisud) Company Private Limited ("GVKCCPL")	Subsidiary	73.94
6.	GVK Airport Developers Limited ("GVKADL")	Subsidiary	100.00
7.	Goriganga Hydro Power Private Limited ("GHPPL")	Subsidiary	100.00
8.	GVK Airport Holdings Private Limited ("GVKAHPL")	Subsidiary	100.00
9.	GVK Energy Limited ("GVKEL")	Subsidiary	73.94
10.	GVK Oil & Gas Limited ("GVKOGI")	Subsidiary	100.00
11.	GVK Developmental Projects Private Limited ("GVKDPPL")	Subsidiary	100.00
12.	GVK Gautami Power Limited ("GVKGPL")	Subsidiary	47.02
13.	Bangalore Airport & Infrastructure Developers Private Limited ("BAIDPL")	Subsidiary	100.00
14.	GVK Energy Venture Private Limited ("GVKEVPL")	Subsidiary	100.00
15.	GVK Deoli Kota Expressway Private Limited ("GVKDKEPL")	Subsidiary	100.00
16.	GVK Bagodara Vasad Expressway Private Limited ("GVKBVEPL")	Subsidiary	100.00
17.	GVK Ratle Hydro Electric Project Private Limited ("GVKRHEPPL")	Subsidiary	100.00
18.	GVK Transportation Private Limited ("GVKTPL")	Subsidiary	100.00
19.	GVK Shivpuri Dewas Expressway Private Limited ("GVKSDEPL")	Subsidiary	100.00
20.	Mumbai International Airport Private Limited ("MIAL")	Subsidiary	50.50
21.	Navi Mumbai Airport Developers Private Limited ("NMADPL")	Subsidiary	50.50
22.	Mumbai Airport Meet and Assist Services Private Limited ("MAMASPL")	Subsidiary	50.50
23.	Mumbai Airport Habitation Private Limited ("MAHPL")	Subsidiary	50.50
24.	Mumbai Aerotropolis Private Limited ("MAPL")	Subsidiary	50.50
25.	Mumbai Aviation Fuel Farm Facility Private Limited ("MAFFFP")	Joint Venture	12.63
26.	Bangalore International Airport Limited ("BIAL")	Associate	43.00
27.	Bangalore Airport Hotel Limited ("BAHL")	Associate	43.00

Consolidated Balance sheet as at March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	4	15,792	15,792
Reserves and surplus	5	178,076	262,026
		193,868	277,818
Deferred income	2(h) & 25	13,924	14,901
Minority interest		230,461	307,321
Non-current liabilities			
Long-term borrowings	6	1,922,177	1,945,548
Deferred tax liabilities (net)	7	26,726	41,625
Trade payables	8	42,827	48,216
Other long-term liabilities	8	80,972	64,235
Long-term provisions	9	1,108	816
		2,073,810	2,100,440
Current liabilities			
Short-term borrowings	10	308,757	249,567
Trade payables	11	32,484	26,739
Other current liabilities	11	416,759	214,898
Short-term provisions	9	15,240	10,691
		773,240	501,895
		3,285,303	3,202,375
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	940,263	984,165
Intangible assets	13	197,775	202,416
Capital work-in-progress		727,736	649,397
Expenditure incurred during construction period	14	429,816	307,528
Intangible assets under development		103,298	93,135
Non-current investments	15	200,867	198,070
Deferred tax assets (net)	7	110	16
Long-term loans and advances	16	127,918	169,833
Trade receivables	17 (i)	11,141	10,242
Other non-current assets	17(ii)	286,117	293,957
		3,025,041	2,908,759
Current assets			
Current investments	18	5,361	21,354
Inventories	19	3,990	3,829
Trade receivables	17 (i)	32,052	47,743
Cash and bank balances	20	149,551	181,347
Short-term loans and advances	16	36,677	14,562
Other current assets	17(ii)	32,631	24,781
		260,262	293,616
		3,285,303	3,202,375
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 LLP**
ICAI Firm Registration No : 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner

Membership No. 93649

Place: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

Statement of consolidated profit and loss for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Income			
Revenue from operations	21	304,965	282,093
Other income	22	8,665	12,066
Total revenue		313,630	294,159
Expenses			
Cost of fuel		18,932	25,535
Annual fee to Airport Authority of India		93,125	83,479
Employee benefit expense	23	16,194	17,089
Other expenses	24	94,942	55,395
Depreciation and amortization expense	25	70,555	43,771
Finance costs	26	147,362	96,452
		441,110	321,721
Loss before tax, prior period expenses, share of profits of associates and minority interest		(127,480)	(27,562)
Prior period expense - interest expense		290	-
Loss before tax, share of profits of associates and minority interest		(127,770)	(27,562)
Tax expenses			
Current tax		3,729	11,743
MAT credit		(588)	(6,238)
Deferred tax (credit)/charge		(14,063)	9,451
Income tax for earlier years		-	(496)
Total tax (credit)/expenses		(10,922)	14,460
Loss after tax and before share of profits of associate and minority interest		(116,848)	(42,022)
Add: Share of profits of associates for the year		3,220	2,764
Loss for the year		(113,628)	(39,258)
Attributable to:			
Equity holders of the parent		(83,468)	(36,868)
Minority interest		(30,160)	(2,390)
		(113,628)	(39,258)
Earnings per equity share (in Rs.)			
-Basic		(5.29)	(2.33)
-Diluted		(5.29)	(2.33)
Nominal value per equity share (in Rs.)		1.00	1.00
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 consolidated financial statements

As per our report of even date

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

per **Vikas Kumar Pansari**
Partner

Membership No. 93649

Place: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs unless otherwise stated)

		March 31, 2015	March 31, 2014
A. Cash flow from Operating Activities			
Loss before tax and share of profits of associate and minority interest		(127,770)	(27,561)
Adjustments for			
Depreciation and amortisation expense		70,555	43,771
Bad debts		-	1,205
Provision for doubtful trade receivables		160	(192)
Provision for diminution in value of investment		446	-
Loss/(profit) on sale of fixed assets (net)		32,138	(5)
Unrealised foreign exchange loss/(gain)		(867)	1,797
Profit on sale of non trade current investments		(940)	(1,186)
Dividend income from non trade current investments		-	(1)
Profit on disposal of controlling interest in subsidiary		(496)	-
Interest expense		139,846	90,467
Interest income		(5,485)	(5,266)
Liabilities written back		(65)	(200)
Operating profit before working capital changes		107,522	102,828
Movements in working capital			
Increase in inventories		(158)	(1,369)
Increase in current and non current liabilities and provisions		26,420	57,854
Decrease/(increase) in current and non current trade receivables and other assets		10,461	(19,439)
Increase in loans and advances		(6,277)	(2,612)
Cash generated from operations		137,968	137,262
Less: Direct taxes paid		(8,573)	(13,928)
Net cash from operating activities	(A)	129,395	123,334
B. Cash flows from investing activities			
Purchase of fixed assets including capital work in progress and capital advances		(160,864)	(307,640)
Proceeds from sale of fixed assets		3,647	19
Purchase of current investments		(231,414)	(392,439)
Proceeds from sale/maturity of current investments		248,347	403,342
Proceeds of non-current investments including associates		-	10,348
Purchase of non-current investments including associates		(11,120)	(25,059)
Investments in bank deposits (having original maturity of more than 3 months)		(4,022)	(47,362)
Redemption/maturity of bank deposits (having original maturity of more than 3 months)		34,001	59,857
Dividends received		1,011	1,177
Interest received		9,930	8,233
Net cash used in investing activities	(B)	(110,484)	(289,524)

Consolidated Cash Flow Statement for the year ended March 31, 2015

(All amounts in Indian Rupees Lakhs unless otherwise stated)

		March 31, 2015	March 31, 2014
C. Cash flows from financing activities			
Money (paid)/received from minority shareholders		(39,839)	5
Proceeds from short-term borrowings (net)		59,190	21,229
Proceeds from long-term borrowings		164,145	351,412
Repayment of long-term borrowings		(42,066)	(35,634)
Proceeds from development fee		12,420	6,687
Interest paid		(179,072)	(187,493)
Net cash flow from/(used) in financing activities	(C)	(25,222)	156,206
Net decrease in cash and cash equivalents	(A+B+C)	(6,311)	(9,984)
Cash and cash equivalents at the beginning of the year		137,613	147,442
Effect of exchange differences on cash and cash equivalents		(483)	155
Cash and cash equivalents at the end of the year		130,819	137,613
Components of Cash and cash equivalent			
Cash on hand		191	115
Cheques/drafts on hand		235	1,474
Balances with banks on:			
Current accounts		27,306	71,999
Deposit account		103,087	64,025
Total cash and cash equivalents		130,819	137,613
Add: Fixed deposits classified in investing activities		18,732	43,734
Cash and bank balances as reported in consolidated balance sheet		149,551	181,347

During the current period, interest of Rs.60,256 accrued on loans from financial institutions has been converted into principal. This has been considered as non-cash item for the purpose of cash flow statement.

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

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

As per our report of even date

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

per **Vikas Kumar Pansari**
Partner

Membership No. 93649

Place: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

Notes to consolidated financial statements for the year ended March 31, 2015

(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 and maintenance services, manpower & consultancy services and incidental services to owners of power plants, airports and infrastructure companies. The Parent Company together with its subsidiaries, joint ventures and associates (collectively termed as "the Group") is engaged in constructing and operating power plants, highway projects, airports, exploration of oil 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 Limited ("GVKADL" 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 operation 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 Limited ("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.
- 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.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- v) GVK Airports International Pte Limited (“GVKAIPL” 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.
- x) PT. GVK Services (“PGVKS” or “Subsidiary company”) is engaged in management and operations of commercial facilities at Bali International Airport.
- y) Navi Mumbai Airport Developers Private Limited (“NMADPL”) is engaged in the business of providing allied and support services to its parent company.
- z) Mumbai Aviation Fuel Farm Facility Private Limited (up to October 28, 2014) (“MAFFFP”) is engaged in the business of rendering fueling services to airlines.
- aa) Mumbai Airport Habitation Private Limited (“MAHPL”) is engaged in the business of providing allied and support services to its parent company.
- bb) Mumbai Aerotropolis Private Limited (“MAPL”) is engaged in the business of providing allied and support services to its parent company.
- cc) Mumbai Airport Meet and Assist Services Private Limited (“MAMASPL”) is engaged in the business of providing allied and support services to its parent company.

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.
- c) Bangalore Airport Hotel Limited (“BAHL” or “Associate company”) is engaged in the business of hotel.

The following is the brief description of the joint venture:

- a) Mumbai Aviation Fuel Farm Facility Private Limited (w.e.f. October 29, 2014) is engaged in the business of rendering fueling services to airlines.

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 section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained in note 2(d) below.

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”, AS 23 “Accounting for investments in associates in consolidated financial statements” and AS 27 “Financial Reporting of Interests in Joint Ventures”, notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements are prepared on the following basis:

- i) Subsidiary companies and the joint venture are consolidated on a line-by-line by adding together the book values of the like items of assets, liabilities, income and expenses (proportionately in case of joint venture) after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered and proportionately (to the extent it pertains to the Group) on consolidation of joint venture.
- ii) The difference between the cost to the Group of investments in subsidiaries and joint venture and the proportionate share in the equity of the subsidiary and joint venture 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/joint venture from parties outside the group is accounted for as goodwill/capital reserve. Similarly, any gain/loss arising upon dilution of stake in subsidiary/joint venture in favour of parties

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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.
- 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 as part of investment in associate 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, 2015.
- 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

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

The consolidated financial statements as at and for the year ended on March 31, 2015 include the financial statements of the following entities:

Name of the consolidated entity	Country of Incorporation	Nature of Interest	% of interest	
			2015	2014
GVKIL	India	Subsidiary	73.94	73.94
GJEPL	India	Subsidiary	100.00	100.00
AHPCL	India	Subsidiary	73.94	73.94
GVKPGSL	India	Subsidiary	73.94	73.94
GVKCCPL	India	Subsidiary	73.94	73.94
GVKADL	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	73.94
GVKOGI	India	Subsidiary	100.00	100.00
GVKDPPL	India	Subsidiary	100.00	100.00
GVKGPL	India	Subsidiary	47.02*	47.02*
BAIDPL	India	Subsidiary	100.00	100.00
GVKEVPL	India	Subsidiary	100.00	100.00
GVKDKPEL	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	73.94
GVKSDEPL	India	Subsidiary	100.00	100.00
GVKAIPL	Singapore	Subsidiary	100.00	100.00
MIAL	India	Subsidiary	50.50	50.50
PTGVKS	Indonesia	Subsidiary	97.00	97.00
NMADPL	India	Subsidiary	50.50	50.50
MAFFFP	India	Subsidiary	50.50	50.50
MAHPL	India	Subsidiary	50.50	50.50
MAPL	India	Subsidiary	50.50	50.50
MAMASPL (till October 28, 2014)	India	Subsidiary	50.50	50.50
BIAL	India	Associate	43.00	43.00
BAHL	India	Associate	43.00	43.00
SML	India	Associate	32.87	32.87
MAMASPL (w.e.f. October 29, 2014)	India	Joint Venture	12.63	-

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

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.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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. Subsequent expenditure incurred on existing fixed assets is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Dead Stock is the minimum level of material needed to be maintained in the plant and machinery for its intended use. Minimum level of fuel is required to be maintained in the storage tanks by design/nature- below this level of the fuel cannot be withdrawn from the tanks. The dead stock held by the group is not held for sale in its ordinary course of business. Accordingly, as per Para 9.1 of AS 10, the cost of acquiring dead stock is in the nature of a cost that is directly attributable cost of bringing the oil storage tanks/plant and machinery to its working condition for its intended use of providing storage services and accordingly form part of Fixed Assets.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which coincides with the rates as per Schedule II of Companies Act, 2013. Leasehold land is amortised over the period of lease..

Changes in accounting policy/estimate

Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets which are in most of the cases equal to useful lives and residual values specified in Schedule II. Certain class of assets in MIAL where useful life has not been prescribed under Schedule II of the Companies Act, 2013 or MIAL based on internal assessment or usage pattern believes that useful life is different from those prescribed under Schedule II of the Companies Act, 2013 are as under:

Asset Description	Useful Life
Buildings (other than factory buildings) other than RCC Frame Structure	10 years
Buildings - Temporary Structures	Fully depreciated in the year of capitalization
Runways, taxiways and aprons	20 - 30 years
Office Equipment - Mobile Phones	2 years

From the current year depreciation on assets covered under definition of "Generating Station" as defined in "Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014" is provided under Straight Line Method at the rates and the manner prescribed under the said regulations as notified vide circular no. 31/2011 dated 31st May, 2011 (CERC Regulations") by Ministry of Corporate Affairs. Further, from current year assets costing less than Rs. 0.05 is not fully depreciated in the year of purchase.

As stated above, during the current year the Group has adopted Schedule II and CERC regulations. Had the Group continued with the old policy, depreciation for the year would have been lower by Rs. 9,482.

Oil & gas assets

The Group 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

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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.

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') i.e. 30 years and tested for impairment annually.

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 amortized but is tested for impairment, where indicator of impairment exists and losses are recognized where applicable.

f. Impairment

The Group 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 Group 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 recognised in statement of profit or loss.

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 Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- 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 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.
- 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) Operating services**

Revenue for operating services are recognised as and when services are rendered based on terms of fixed price contract on proportionate basis.
- 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, except where exchange difference relate to long term borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are 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-

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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

From accounting periods commencing on or after December 7, 2006, the group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on a monetary item that, in substance, forms part of the group's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.
- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

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

Raw material, 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.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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.

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

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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 foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the loss is charged to the income statement. Gains are ignored.

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 group 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

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 net block of assets on which different rates are followed are as follows:

Asset Description	Depreciation rates	March 31, 2015	March 31, 2014
Buildings	3.33% - 5%	143,415	146,607
Engineering structures	3.33%-5%	54,926	56,545
Plant and machinery	4.75%-16.21%	55,283	63,787
Office equipment	10.34%25%	520	453
Computer and computer equipments	16.21%-25%	1,619	2,218
Furniture and fixtures	6.33%-10%	8,209	8,617
Vehicles	9.5%-20%	878	1,035
Software	20%-33.33%	759	1,047

4. Share capital

	March 31, 2015	March 31, 2014
Authorized shares		
2,500,000,000 (March 31, 2014: 2,500,000,000) equity shares of Re. 1/ each	25,000	25,000
Issued, subscribed and fully paid-up shares		
1,579,210,400 (March 31, 2014: 1,579,210,400) equity shares of Re. 1/ each	15,792	15,792
	15,792	15,792

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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

Equity shares	March 31, 2015		March 31, 2014	
	No.	Rs.	No.	Rs.
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
Total equity shares	1,579,210,400	15,792	1,579,210,400	15,792

(b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Re.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, 2015		March 31, 2014	
	No	% holding	No	% holding
G Indira Krishna Reddy	230,340,730	14.59	230,340,730	14.59
G V Sanjay Reddy	154,334,480	9.77	154,334,480	9.77
Vertex Infratech Private Limited	140,632,430	8.91	140,632,430	8.91
Krishnaram Bhupal	118,155,990	7.48	118,155,990	7.48
HSBC Global Investment Funds	110,428,344	6.99	113,356,052	7.18

5. Reserves and surplus

	March 31, 2015	March 31, 2014
Capital reserve on acquisition	50,835	50,835
General reserve	952	952
Securities premium account	215,352	215,352
Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	(5,267)	31,601
Loss for the year	(83,468)	(36,868)
Net deficit in the statement of profit and loss	(88,735)	(5,267)
Foreign currency translation reserve		
Balance as per the last financial statements	154	(1)
Movement during the year	(482)	155
	(328)	154
Total reserves and surplus	178,076	262,026

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

6. Long term borrowings

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Debentures				
45 (March 31, 2014: Nil) 18.10% Nonconvertible debentures of Rs.100/ each (secured)	4,500	-	-	-
Term loans				
Indian rupee loan from banks (secured)	1,355,431	1,282,248	57,607	30,632
Foreign currency loan from banks (secured)	40,155	40,120	4,090	5,609
Indian rupee loan from financial institutions (secured)	478,748	572,720	183,910	14,995
Term loans from others (secured)	43,343	39,111	-	-
Other loans and advances				
Buyers credit (secured)	-	11,350	10,822	-
Vehicle loan (secured)	-	-	-	15
	1,922,177	1,945,548	256,429	51,251
The above amount includes				
Secured borrowings	1,922,177	1,945,548	256,429	51,251
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities" (note 11)	-	-	(256,429)	(51,251)
Net amount	1,922,177	1,945,548	-	-

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

Name of the entities	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Parent Company	-	28,319	31,635	6,667
GVKEL	4,500	13,750	26,450	-
GVKGPL	96,203	91,739	10,822	4,947
GVKIL	45,800	40,389	14,820	8,847
AHPCL	373,767	342,493	22,285	14,374
GVKPGSL	257,078	229,069	-	7,837
GVKCCPL	21,825	18,222	675	-
GVKRHEPPL	81,690	81,690	-	-
GJEPL	90,905	97,707	6,802	5,898
GVKDEPL	73,085	61,752	-	197
GVKBVEPL	39,660	33,533	-	-
GVKADL	32,336	149,866	142,940	2,484
MIAL	805,328	757,019	-	-
	1,922,177	1,945,548	256,429	51,251

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

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

a) Parent Company

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	-	28,319	31,635	6,667
Secured borrowings	-	28,319	31,635	6667
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(31,635)	(6667)
Net amount	-	28,319	-	-

- A. Term loan aggregating to Rs. 16,667 is secured by first pari passu charge on the current assets, present and future of the Company, second pari-passu charge on the current assets and fixed assets of GVKIL and pledge of 10% shares of GVKIL and presently carries interest of 13.15% per annum. The loan is repayable in six equal quarterly installments after a moratorium of eighteen months from the date of first drawdown viz. March 8, 2013.
- B. Term loan aggregating to Rs. 14,968 is secured by second pari passu mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVKPSPL and presently carries interest of 13.25% per annum. The loan is repayable after a period of 35 months from the date of first drawdown viz. September 27, 2012.

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

Particulars	March 31, 2015		March 31, 2014	
	Amount	Period of delay*	Amount	Period of delay
Principal due on term loans	3,333	Upto 29 days	-	-

*Paid subsequently on April 27, 2015

b) GVKEL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Debentures				
45 (March 31, 2014: Nil) 18.10% Nonconvertible debentures of Rs.100 each (secured)	4,500	-	-	-
Term loans				
Indian rupee loan from financial institutions (secured)	-	13,750	26,450	-
	4,500	13,750	26,450	-
The above amount includes				
Secured borrowings	4,500	13,750	-	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(26,450)	-
Net amount	4,500	13,750	-	-

- A. Each 14.50% Non-convertible debenture is secured by way of pledge of 40% of equity shares of AHPCL, pledge of 26% fully paid up equity shares of borrower, pledge of 49% of equity shares of GVKPGSL, pledge of 49% of equity shares of

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

GVKCTCPL on pari- passu basis and by the Corporate Guarantee by GVKPIL. The debentures are repayable at a premium of 3.60% per annum in three annual instalments starting from July 31, 2016.

- B.** Term loan from financial institutions carries an interest rate of 18.1% p.a. Loan amounting to Rs. 26,450 is secured by way of pledge of 40% of equity shares of AHPCL and pledge of 26% fully paid up equity shares of borrower on pari-passu basis and by the Corporate Guarantee of GVKPIL. Further, loan to the extent of Rs. 12,450 is secured by pledge of 49% of equity shares of GVKPGSL and pledge of 49% of equity shares of GVKCTCPL on pari-passu basis. The loan amounting to Rs. 14,000 is repayable in three annual instalments starting from March 30, 2016 with an option to lender to demand repayment of the entire loan once in every six months from September 30, 2015. The loan amounting to Rs. 12,450 is repayable in three annual instalments along with interest starting from June 30, 2016 with an option to lender to demand repayment of the entire loan once in every six months from December 30, 2015.

c) GVKGPL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	30,265	23,337	-	2,674
Foreign currency loan from banks (secured)	12,802	10,006	-	2,273
Indian rupee loan from financial institutions (secured)	53,136	47,046	-	-
Other loans and advances				
Buyers credit (secured)	-	11,350	10,822	-
	96,203	91,739	10,822	4,947
The above amount includes				
Secured borrowings	96,203	91,739	10,822	4,947
Unsecured borrowings				
Amount disclosed under the head "other current liabilities"	-	-	(10,822)	(4,947)
Net amount	96,203	91,739	-	-

- A.** Rupee term loans from banks, financial institutions and foreign currency loans from banks are secured by:
- Pari passu first charge by deposit of title deeds of immovable properties in respect of project land;
 - 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;
 - Pari passu first charge on all bank accounts including without limitation, the Trust and Retention account;
 - Pari passu first charge on intangible assets including but not limited to goodwill, undertaking and uncalled capital;
 - Unconditional corporate guarantee of GVK Energy Limited;
 - Credit support by the promoters for Rs.4,300 towards upfront equity commitment;
 - Pari passu first charge/assignment/security interest on/off all the rights, titles, interest and benefits and all licenses, permits, approvals and consents in respect of the project;
 - Pledge of 51% shares of paid-up capital of the subsidiary company held by "Sponsors" (GVKEL, IJM corporation Behrad, IEMceE Infra (Mauritus) Limited and IL&FS Engineering & Construction Company Limited); and
 - Non-disposal undertaking for the balance 49% stake in GVKGPL by the Sponsors
- B.** Buyers credit is secured by:
- Exclusive charge on spares the subsidiary company; and
 - Second charge on the fixed assets of the subsidiary company on pari passu basis with the working capital lenders.
- C.** Repayment and other terms of loans are as follows:
- During the year long term loans were restructured and accordingly, rupee term loans from banks and financial institution are repayable in 30 quarterly installments commencing from October 2016.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

All Indian rupee term loans from banks and financial institution currently carry interest of 12% and 12.25% per annum respectively.

- ii. Foreign currency loan carries interest at 3 M Libor plus 2.50% margin. The loans are repayable in 43 quarterly installments commencing from 2008-09
 - iii. Buyer's credit is repayable by June 12, 2015 and carries interest at the rate of 0.55% per annum.
- D.** In the previous year, in few cases, the subsidiary company did not repay principal as certain banks have not yet approved restructuring proposal. The details of payments not made as at March 31, 2014 were as follows:

Particulars	Nature of due	Amount	Period of delay March 31, 2015	Period of delay March 31, 2014
Indian rupee loan from banks (secured)	Principal	535	Nil	Upto 76 days
Foreign currency loan from banks (secured)	Principal	455	Nil	Upto 15 days

d) GVKIL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	33,252	25,551	10,844	5,859
Foreign currency loan from banks (secured)	7,354	9,758	2,820	2,121
Indian rupee loan from financial institution (secured)	5,194	5,080	1,156	867
	45,800	40,389	14,820	8,847
The above amount includes				
Secured borrowings	45,800	40,389	14,820	8,847
Unsecured borrowings		-		-
Amount disclosed under the head "other current liabilities"	-	-	(14,820)	(8,847)
Net amount	45,800	40,389	-	-

- A.** Rupee term loans from banks (other than one loan from State Bank of India of Rs. 248, additional term loans of Rs.23,174 from banks and financial institutions) and foreign currency loan from banks are secured by:
- i. 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;
 - ii. Pari passu first charge on all the immovable and movable properties (both tangible and intangible), present and future, pertaining to Phase I;
 - iii. Pari passu first charge/assignment/security interest on all the revenues/receivables of Phase II;
 - iv. 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
 - v. Pledge of 28% of shares of the subsidiary company held by GVKEL.
- B.** Additional rupee term loan from banks and financial institutions aggregating to Rs. 23,174 are secured by :
- i. Pari passu first charge by way of mortgage on all immovable and movable both tangibles and intangibles present and future of Phase II, subject to prior mortgage and charge in favour of banks and financial institutions;
 - ii. Pari passu first charge on all the immovable and movable properties both tangible and intangible of Phase I including receivables and shared facilities, subject to prior mortgage and charge in favour of banks and financial institutions;
 - iii. Collaterally secured by way of first charge/assignment/security on all the revenues/receivables of Phase II; and
 - iv. Pledge of 51% of shares of the subsidiary company held by GVKEL including pledge of 28% shares referred in A(v) above.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- C. 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.
- D. Repayment and other terms of loans as follows:
- Rupee loan from State Bank of India amounting to Rs. 248 is repayable in 12 quarterly installments from June 2012 and currently carries interest of 18.10% per annum;
 - Rupee loans from banks other than loan from State Bank of India and additional terms loans are repayable in 43 quarterly installments from 2008-09, and currently carries interest of 11.35% to 13.10% per annum;
 - Additional rupee term loans from banks and financial institutions are repayable in 16 quarterly installments from 2015-16 and currently carries interest of 11.35% to 12.5% per annum;
 - Term loans from financial institution are repayable in 43 quarterly installments from 2007-08, and carries interest of 11.19% to 12.09%; and
 - Foreign currency loan is repayable in 13 half yearly foreign currency installments from 2008-2009 and 13 quarterly rupee installments from 2015-2016. Interest is payable half yearly at 6 Month Libor plus 2.50% margin and interest on rupee installments would be agreed at the time of conversion.
- E. The Company has not made payment of principal dues in certain cases. The details of payments not made are as follows:

Particulars	Nature of due	Amount	Period of delay March 31, 2015	Period of delay March 31, 2014
Indian rupee loan from banks (secured)	Principal	248	Upto 1 day	Nil

e) AHPCL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	218,320	200,411	10,712	6,741
Foreign currency loan from banks (secured)	19,999	20,355	1,270	1,215
Indian rupee loan from financial institutions (secured)	135,448	121,727	10,303	6,418
	373,767	342,493	22,285	14,374
The above amount includes				
Secured borrowings	373,767	342,493	22,285	14,374
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(22,285)	(14,374)
Net amount	373,767	342,493	-	-

- A. Rupee term loans from banks, financial institutions and foreign currency loan from bank are secured by:
- Pari passu first Mortgage on the subsidiary company's immovable properties present and future;
 - Pari passu first 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;
 - Pari passu 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
 - Pari passu first 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;
 - Escrow Account and other reserves, and any other bank accounts of the subsidiary company wherever maintained;
 - All insurance contracts / insurance proceeds;

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- Pledge of 60% of equity shares issued or to be issued by the subsidiary company during the period of the term loans;
- The aforesaid mortgages, hypothecation, assignment charges and pledge of shares, shall in all respects, rank pari passu interest; and
- The Lenders, at their option, have a right to convert the whole or part of the Loan into equity, at par, in case of default in payment of two consecutive installments and / or interest without prior intimation.

v. Corporate guarantee of GVKEL.

B. Repayment and other terms of loans are as follows:

- i. In response to the circular issued by the Ministry of Finance, Government of India for granting one year moratorium on payment of interest and repayment of instalments to the projects affected due to the floods that occurred in the State of Uttarakhand during June 2013, Rupee Term Loan Lenders have considered and restructured the repayment schedule. Accordingly the interest due on restructured loans from August 1, 2013 to July 31, 2014 is sanctioned as Funded Interest Term Loan (FITL).
- ii. Rupee term loans from banks and financial institutions aggregating to Rs. 331,734 currently carry interest of 12.35% to 13.75% and are repayable in 47 quarterly installments commencing May 2015;
- iii. Funded interest term loans from banks and financial institutions aggregating to Rs.43,049 currently carry interest of 12.35% to 13.75% and are repayable in 40 quarterly installments commencing May 2015;
- iv. The foreign currency loans carries floating rate of interest at 3 month LIBOR + 248 bps (i.e.2.48%) and are repayable in 60 quarterly installments commencing from January 1, 2012.

f) GVKPGSL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	216,467	192,209	-	5,707
Indian rupee loan from financial institutions (secured)	40,611	36,860	-	2,130
	257,078	229,069	-	7,837
The above amount includes				
Secured borrowings	257,078	229,069	-	7,837
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	-	(7,837)
Net amount	257,078	229,069	-	-

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:

- i. IDBI Bank, the lead of consortium has approved shift in repayment schedule. As per the said schedule, for term loans aggregating to Rs.240,611, 70% is repayable in 46 equal quarterly installments commencing from 01st May, 2016 and the balance is repayable as a bullet repayment at 46th installment. The shift in repayment schedule is yet to be approved by LIC (one of the consortium lender). The rupee term loans currently carries interest at 13.25% per annum;
- ii. For term loans aggregating to Rs.16,467, 70% of loans are repayable in 38 quarterly installments commencing from November 1, 2015 and the balance 30% is repayable in a single/bullet repayment installment along with 38th quarter installment. The rupee term loans currently carry interest at 13.25% per annum.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- C. In the previous year, in few cases, the subsidiary company had not made payment of principal as certain banks had not approved restructuring proposal. The details of payments not made are as follows:

Particulars	Nature of due	Amount	Period of delay March 31, 2015	Period of delay March 31, 2014
Indian rupee loan from banks (secured)	Principal	1,065	Nil	Upto 121 days
Indian rupee loan from financial institution (secured)	Principal	609	Nil	Upto 121 days

g) GVKCCPL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	21,825	18,222	675	-
The above amount includes				
Secured borrowings	21,825	18,222	675	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"			(675)	-
Net amount	21,825	18,222	-	-

- 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 GVKEL.
- B. Repayment and other terms of loans are as follows:
Rupee term loans are repayable in 37 equal quarterly installments commencing from April 2015. The loans currently carry interest at 13.65% p.a. subject to reset.

h) GVKRHEPPL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	81,690	81,690	-	-
	81,690	81,690	-	-
The above amount includes				
Secured borrowings	81,690	81,690	-	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	-	-
Net amount	81,690	81,690	-	-

- A. Rupee term loans from financial institution are secured by:
- A first ranking charge/mortgage/assignment/hypothecation of:
 - Subsidiary company's immovable properties, present and future, except forest land, river bed area and land for realignment of National Highway - 1B, subject to the Transfer of Property Act of the State Government of Jammu & Kashmir and Right to Use Forest Land;
 - Subsidiary company's movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, uncalled capital, present and future relating to the Project;
 - All book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, of the subsidiary company, present and future; and
 - Debt Service Reserve Account, the Trust and Retention Account, any letter of credit and other reserves and any other bank accounts of the subsidiary company wherever maintained, present and future.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- ii. Bankers, at their option, have a right to convert the whole or part of the Loan to equity, at par, in case of default in payment.
- iii. Undertaking from the Promoter Companies i.e. GVKPIL and GVKDPPL for infusion of equity.
- iv. First ranking assignment on
 - a. All the rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in the project documents (including but not limited to Power Purchase Agreements/memorandum of understanding for sale of power, package/ engineering, procurement and construction contracts/Construction contracts, O & M Agreement, land lease agreements, etc.), if any, duly acknowledged and consented to by the relevant counter parties to such project documents, each as amended, varied or supplemented from time to time;
 - b. All the rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in the permits, approvals and clearances pertaining to the Project;
 - c. All the rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party under the project documents; and
 - d. All the rights, title, interest, benefits, claims and demands whatsoever of the subsidiary company under all insurance contracts/insurance proceeds.
 - v. First ranking pledge of 51% shares held by GVKDPPL in subsidiary company which may be reduced to 30% of the shares held by GVKDPPL upon 75% of the Rupee Loans being repaid.

B. Loan is repayable in 80 quarterly equal installments commencing from July 15, 2019 and presently carries interest in the range of 13.50% to 13.75%.

i) GJEPL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	40,397	34,138	3,741	2,822
Indian rupee loan from financial institutions (secured)	50,508	63,569	3,061	3,061
Other loans and advances				
Vehicle loan (secured)	-	-	-	15
	90,905	97,707	6,802	5,898
The above amount includes				
Secured borrowings	90,905	97,707	6,802	5,898
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	(6,802)	(5,898)
Net amount	90,905	97,707	-	-

- A.** Rupee term loans from banks and financial institutions to the extent of Rs. 6,050 are secured by:
- i. First charge on the subsidiary company's immovable properties present and future;
 - ii. Pari passu first charge on 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. Pari passu first charge on all cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, present and future;
 - iv. Pari passu first charge on all intangibles including but not limited to Goodwill, uncalled capital, present and future;
 - v. Pari passu 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

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- 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.
 - vi. Charge on the escrow account and other reserves, and any other bank accounts of the subsidiary company wherever maintained;
 - vii. Pledge of shares to the extent of 51% of the equity shares of the subsidiary company held by the holding Company i.e. GVKTPL (“Sponsor”) with effect from 1.4.2011; and
 - viii. 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 11.50%. The loans have to be fully repaid by November 2017.
- C. Rupee term loans from banks and financial institutions to the extent of Rs. 91,657 are secured by:
 - i. Mortgage by way of second exclusive charge of entire immovable properties of the subsidiary company, except project assets, both present and future, if any;
 - ii. Second charge by way of hypothecation of entire movable properties of the subsidiary company, 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;
 - iii. Second 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;
 - iv. Second charge on entire intangible assets of the subsidiary company, including but not limited to, goodwill and uncalled capital, both present and future;
 - v. 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; and
 - vi. First 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 11.5% p.a and were raised in October 2011 and scheduled to be repaid fully by September 15, 2021.

j) GVKDKEPL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	59,699	50,693	-	162
Indian rupee loan from financial institutions (secured)	13,386	11,059	-	35
	73,085	61,752	-	197
The above amount includes				
Secured borrowings	73,085	61,752	-	197
Unsecured borrowings	-	-	-	-
Amount disclosed under the head “other current liabilities”			-	(197)
Net amount	73,085	61,752	-	-

Notes to consolidated financial statements for the year ended March 31, 2015

(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 ranking pari passu charge on all the present and future movable assets and intangible assets except the project assets as defined under the rupee loan agreement;
 - First ranking pari passu 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;
 - A first ranking pari passu charge / 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;
 - A first ranking pari passu 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 subsidiary company, Insurance Contracts, and Insurance proceeds; and
 - A first ranking pari passu charge on all the bank accounts including without limitation the Escrow account and all permitted investments of the subsidiary company except the sums lying to the credit of the "GVKDKEPL Distribution Account" and assets created / gains arising out of the investment made from the above account. 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 11.50% p.a. up to July 1st 2015 and interest rate will reset on July 2nd 2015 and shall remain fixed for a period of two years.
 - The loan is repayable in 58 quarterly unequal installments starting from September 2016 as per shift in repayment commencement accorded by the lead banker.

k) GVKBEPL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	31,109	26,014	-	-
Indian rupee loan from financial institutions (secured)	8,551	7,519	-	-
	39,660	33,533	-	-
The above amount includes				
Secured borrowings	39,660	33,533	-	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"	-	-	-	-
Net amount	39,660	33,533	-	-

- A.** Indian rupee loan is secured to the extent permitted under the concession agreement by:
- First charge on all the present and future tangible movable assets, machinery spares, tools and accessories etc., 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 except the Distribution Sub-sub account. Charge on the Escrow account shall be in a manner and only to the extent of order of priorities of payment 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 the right, title, interests, benefits, claims and demands of the subsidiary company in and under all the project documents, approvals, insurance contracts, letter of credit, guarantees, liquidated damages

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

and performance bond. Provided however, that the assignment as mentioned above shall be in accordance with and to the extent provided under the Substitution agreement; and

- v. Pledge of 51% of voting equity share capital of the subsidiary company held by the Sponsor's until the Commercial operation date (COD). 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. Indian rupee loan carries interest @ 11.75% p.a. up to scheduled commercial operation date and thereafter date falling on expiry of every 24 months from the previous interest reset date until the final settlement of loan.
- C. The loan is repayable over a period of 13.50 years (including the construction period) in 54 quarterly installments starting from December 31, 2017 as per shift in repayment commencement accorded by the lead banker.

I) GVKADL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from financial institutions (secured)	32,336	149,866	142,940	2,484
	32,336	149,866	142,940	2,484
Secured borrowings	32,336	149,866		
Unsecured borrowings	-	-		
Amount disclosed under the head "other current liabilities"	-	-	(142,940)	(2,484)
Net amount	32,336	149,866	-	-

- A. Rupee term loans from financial institutions are secured by:
 - i. Pledge of 61% of the equity shares of the Company held by GVK Power & Infrastructure Limited ("Parent Company"), pledge of 61% of the shares held by the Company in GVK Airport Holdings Private Limited and Bangalore Airport & Infrastructure Developers Private Limited each on pari-passu basis with other lenders;
 - ii. First pari passu mortgage of land and building located at Himayatsagar and Secundrabad respectively;
 - iii. Loan amounting to Rs.136,220 is further secured by second pari-passu charge on 2,683.90 acres of land belonging to GVK Perambalur SEZ Private Limited. Further, loan amounting to Rs.39,056 is secured by corporate guarantee of Parent Company and further pledge of 23% of the equity shares held by the Company in BAIDPL and pledge of 63,648,000 shares of GVKIL held by GVKEL.
- B. Repayment and other terms of loans are as follows:
 - i. Loan amounting to Rs. 136,220 currently carries interest of 13.80% to 15.21% per annum. The loan is repayable in a single bullet payment on September 16, 2015.
 - ii. Loan amounting to Rs. 39,056 currently carries interest of 18% per annum. The loan is repayable in 31 quarterly installments commencing from October 2014.
- C. The subsidiary company has not made payment of principal dues in certain cases. The details of payments not made are as follows:

Particulars	Nature of due	Amount	Period of delay March 31, 2015	Period of delay March 31, 2014
Indian rupee loan from banks (secured)	Principal	1,242	Upto 59 days	Nil

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

m) MIAL

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	704,097	683,354	-	-
Indian rupee loan from financial institutions (secured)	57,888	34,554	-	-
Term loans from others (secured)	43,343	39,111	-	-
	805,328	757,019	-	-
The above amount includes				
Secured borrowings	805,328	757,019	-	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities"			-	-
Net amount	805,328	757,019	-	-

- A.** Term loans from consortium of bank and financial institution aggregating to Rs. 420,098 are secured by way of:
- Pari passu charge on all the amounts lying in certain designated bank accounts, present and future, of the subsidiary company; and first charge on all assets of the subsidiary company present and future; and
 - Pledge of equity shares of the subsidiary 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 on pari passu basis.
- B.** Additional term loans aggregating to Rs. 140,000 are secured by of:
- First pari passu charge on all the amounts lying in certain designated bank accounts, present and future, of the subsidiary company; and first charge on all assets of the subsidiary company present and future, to the extent permitted under OMDA.;
 - Pledge of equity shares of the subsidiary company held by the prime members (i.e. GVK Airport Holdings Private Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of the subsidiary company on pari passu basis.
 - Additional security by way of undertaking from prime members (i.e. GVK Airport Holdings Private Limited., Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in proportion to their shareholding/GVK Airport Holdings Private Limited for meeting shortfall, if any, between total debt outstanding and termination payments receivable from Airports Authority of India/Government of India.
- C.** Term loans from banks and others of Rs. 245,230 on securitization of development fee are secured by First pari passu charge by way of hypothecation on the ESCROW Account, real estate security deposit in excess of Rs. 100,000 and any additional means of finance as may be approved by Airport Economic Regulatory Authority to fund the shortfall in the cost of the project. Second charge over all the bank accounts of the borrower to the extent permitted by Airport Authority of India under Operation Management and Development Agreement or Escrow agreement dated April 28th, 2006 present or in future, including but not limited to the surplus account and all other accounts / sub accounts created under and pursuant to the Trust and Retention Accounts ("TRA") Agreement wherein all the cash inflows from Surplus Account shall be deposited and all the proceeds shall be utilized in the manner and with the prior approval by lenders agent under the TRA Agreement.
- D.** Repayment and other term of the loan are as follows:
- Term loans from consortium of banks and financial institution other than IDBI and Axis bank aggregating to Rs. 420,098 are repayable in 120 monthly installments commencing from the 109th month after first disbursement i.e. August 2016. 18% of total loan amount outstanding will be repaid in 36 equal installments commencing August 2016, 30% of total loan amount will be repaid in 36 equal installments commencing August 2019 and balance will be repaid in subsequent 48 equal installments commencing August 2022. The repayment terms were restructured during the year. As per the common loan agreement dated May 27, 2007 (as modified) with consortium of banks and financial institution, the applicable rate of interest shall be Base rate ("the Benchmark Rate") plus 125 bps ("the spread") with effect from April 1, 2014 (3 years G-Sec plus 215 bps per annum payable monthly for the disbursements received

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

till the amendment to common loan agreement dated April 9, 2011 and 265 bps spread for further disbursements received thereafter) per annum payable monthly. The interest rate would be reset facility wise on December 31 once in every three years starting from December 31, 2009.

- ii. Term loans aggregating to Rs. 140,000 are repayable in 128 structured monthly installments as per the schedule commencing from August 2016. Applicable rate of interest shall be base rate ("the Benchmark Rate") plus 1.25%. The interest rate would be reset from the date of first drawn i.e. March 28, 2014 and once every three years thereafter.
- iii. Term loans aggregating to Rs. 245,230 are repayable in 49 structured quarterly installments as per the schedule commencing from April 1, 2013. Applicable rate of interest shall be base rate ("the Benchmark Rate") plus spread ranging from 2% to 2.25%.

7. Deferred tax liabilities and assets

	March 31, 2015	March 31, 2014
Deferred tax liabilities (net)		
Depreciation	57,898	45,478
Provision for doubtful trade receivables	(224)	(168)
Provision for retirement benefits	(1,033)	(509)
Brought forward losses and unabsorbed depreciation*	(26,479)	(3,493)
Others	(3,436)	317
	26,726	41,625
Deferred tax assets (net)		
Provision for retirement benefits	24	17
Depreciation	(6)	(1)
	18	16
Deferred tax asset of joint venture	92	-
Gross deferred tax asset	110	16

* Restricted to the extent of deferred tax liability at entity level.

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. Nil (March 31, 2014: Rs. 930) has been accrued as unbilled revenues. Further, the subsidiary company has created deferred tax liability on such unbilled revenue to the extent not expected to be reimbursed by AP Transco.

8. Trade Payables and Other long-term liabilities

	March 31, 2015	March 31, 2014
Trade payables	42,827	48,216
Other long-term liabilities		
Retention money	3,800	3,126
Retirement compensation payable to AAI under OMDA	5,720	7,718
Security deposits	71,113	52,867
Capital creditors	339	524
	80,972	64,235

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

9. Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Provision for gratuity (note 27)	1,108	816	92	75
Provision for leave benefits	-	-	2,272	2,223
Provision for resurfacing obligation (note 33)	-	-	8,165	4,532
	1,108	816	10,529	6,830
Other provisions				
Provision for income tax (net)	-	-	4,711	3,861
	-	-	4,711	3,861
	1,108	816	15,240	10,691

10. Short term borrowings

	March 31, 2015	March 31, 2014
Cash credit (secured)	18,321	7,246
Overdraft from banks (unsecured)	79,478	61,956
Other loans and advances		
- Loan from banks (secured)	124,628	125,583
- Loan from banks (unsecured)	20,891	23,290
- Loan from financial institutions (secured)	7,250	-
- Inter-corporate deposits (unsecured)	3,390	-
- Loan from others (unsecured)	54,799	31,492
	308,757	249,567
The above amount includes		
Secured borrowings	150,199	132,829
Unsecured borrowings	158,588	116,738

Entity wise details of the borrowings are as follows:

Name of the entities	March 31, 2015	March 31, 2014
Parent Company	46,270	18,050
GVKEL	7,000	-
GVKIL	2,667	6,511
AHPCL	-	1,822
GVKPGSL	12,161	6,758
GVKTPL	74,984	74,353
GVKADL	66,629	44,771
MIAL	45,654	48,635
GVKDPPL	53,392	48,667
Total	308,757	249,567

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

The details of the loan entity wise are as follows:

a) Parent Company

	March 31, 2015	March 31, 2014
Other loans and advances		
- Loan from banks (secured)	42,880	18,050
- 18% Inter-corporate deposits (unsecured)	3,390	18,050
	46,270	18,050
The above amount includes		
Secured borrowings	42,880	18,050
Unsecured borrowings	3,390	-

Term loan aggregating to Rs. 42,880 currently carries interest of 11.50% per annum and secured by:

- Charge on loans and advances of the company to GVKADL and also loans and advances provided by GVKADL to GVKAHPL and BAIDPL;
- Exclusive charge on shares of GVKADL to the extent of two times of facility amount;
- 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 would be in proportion to the lenders at GVKADL;
- First pari passu mortgage of land and building located at Himayatsagar and Secundrabad respectively;
- Second pari passu charge on land of 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVKPSPL; and
- Proportionate proceeds of liquidity event at GVKADL, GVKAHPL and BAIDPL.
- charge on shares of GVKADL, GVK AHPL and BAIDPL along with HDFC and SREI or any other future lender representing at least 61% of the paid up share capital of the Company.

b) GVKEL

	March 31, 2015	March 31, 2014
Interest free loans from related parties repayable on demand (unsecured)	7,000	-
	7,000	-

c) GVKIL

	March 31, 2015	March 31, 2014
Cash credit from banks (secured)	2,667	3,611
Other loans and advances		
- Loan from banks (unsecured)	-	2,900
	2,667	6,511

A. Cash credit from banks are secured by.

- In respect of Phase I working capital lenders, first charge on receivables of Phase-I on Pari passu basis and second charge on fixed assets of Phase I; and
- 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

B. Cash credit carries interest at PLR+ margin which ranged from 12.75% to 18% per annum.

C. Unsecured loans from banks were repayable on demand and carried interest at 9.25% to 9.75% per annum.

d) AHPCL

	March 31, 2015	March 31, 2014
Overdraft from banks (unsecured)	-	1,822

Overdraft carried interest rate in range of 9% to 9.50% per annum..

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

e) GVKPGSL

	March 31, 2015	March 31, 2014
Other loans and advances		
- Loan from banks (secured)	12,128	6,758
- Loan from others (unsecured)	33	-
	12,161	6,758

- A. Loan is secured by
- Second charge on all immovable and movable assets of the subsidiary company present and future;
 - Corporate Guarantee of GVKPIL; and
 - Pledge of equity shares aggregating to Rs. 7,700 held by GVK Energy Limited.
- B. Loan presently carries interest of 14.75% p.a.

f) GVKTPL

	March 31, 2015	March 31, 2014
Overdraft from banks (unsecured)	20,099	15,363
Other loans and advances		
- Loan from banks (secured)	44,620	55,775
- Loan from others (unsecured)	10,265	3,215
	74,984	74,353

- A. Secured loan carries interest presently set at 11.5% per annum. The loan is secured by:
- Charge on loans and advances given by the Parent company to GVKADL and also loans and advances provided by GVKADL to GVKAHPL and BAIDPL;
 - Exclusive charge on shares of GVKADL, 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;
 - Pledge of 61% 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;
 - Pari passu first charge by way of mortgage of land and building located at Himayatsagar and Secundrabad respectively; and
 - Second pari-passu charge on 2683.905 acres of land belonging to GVKPSPL.
- B. Overdraft from bank carries interest rate in range of 10% to 11.5% per annum.
- C. Unsecured loan from others is interest free and repayable on demand.

g) GVKADL

	March 31, 2015	March 31, 2014
Loan from financial institutions (secured)	7,250	-
Overdraft from banks (Unsecured)	59,379	44,771
	66,629	44,771

- A. Overdraft from banks carries interest in the range of 9% p.a to 11.00% p.a. and is repayable on demand.
- B. The loans from financial institution is secured by:
- Pledge of 61% of the equity shares of the Company held by GVK Power & Infrastructure Limited ("Parent Company"), pledge of 61% of the shares held by the Company in GVK Airport Holdings Private Limited and Bangalore Airport & Infrastructure Developers Private Limited each on pari-passu basis with other lenders.
 - The loan is also secured by way of charge on following properties:
 - First pari passu mortgage of land and building located at Himayatsagar and Secundrabad respectively;
 - Further, loan is secured by corporate guarantee of GVKPIL and further pledge of 23% of the equity shares held by the Company in BAIDPL and pledge of 63,648,000 shares of GVKIL held by GVKEL.
 - The loan carries an interest rate of 13.00% p.a.
 - The loan is repayable in 25 equal quarterly installments commencing from April 30, 2016. The lender holds an option to demand repayment of the entire loan once in every six months from the date of initial drawdown.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- C. The subsidiary company has not made payment of principal dues in certain cases. The details of payments not made are as follows:

Particulars	Nature of due	Amount	Period of delay March 31, 2015	Period of delay March 31, 2014
Overdraft from banks	Principal	57	Upto 66 days	Nil
Overdraft from banks	Principal	68	Upto 96 days	Nil
Overdraft from banks	Interest	257	Upto 95 days	Nil

h) MIAL

	March 31, 2015	March 31, 2014
Cash credit from banks (secured)	15,654	3,635
Other loans and advances		
- Loan from banks (secured)	25,000	45,000
- Loan from banks (unsecured)	5,000	-
	45,654	48,635

- A. Cash credit facility from banks is secured by first charge on all the amounts lying in certain designated bank accounts of the subsidiary company on pari passu basis.
 B. Loan from bank is secured by first pari-passu charge on certain designated bank accounts of the subsidiary company, receivables including unbilled revenue, spares & tools and other current assets.
 C. Cash credit facilities carries interest from 12.15% to 12.25%
 D. Secured loan from bank presently carries interest of 12.15%
 E. Unsecured from banks carried interest of 11.5%.

i) GVKDPPL

	March 31, 2015	March 31, 2014
Loans from banks (unsecured)	15,891	20,390
Loans from Others (unsecured)	37,500	28,277
Total	53,391	48,667

Unsecured loan carries interest in the range of 8% to 9.5% per annum.

11. Trade payable and other current liabilities

	March 31, 2015	March 31, 2014
Trade payables	32,210	26,739
Trade payables of joint venture	274	-
	32,484	26,739
Other current liabilities		
Current maturities of long-term borrowings (note 6)	256,429	51,251
Interest accrued but not due on borrowings	13,599	6,693
Interest accrued and due on borrowings(note below)	18,913	9,623
Retirement compensation payable to Airports Authority of India under OMDA	1,998	2,043
Payable on passenger service fee (security component) net	-	81
Retention money	28,240	34,317
Security deposits	6,760	12,607
Advances from customers	1,047	642
Payable for capital goods	58,624	83,933
Other liabilities	20,310	13,708
Share application money due for refund (note 43)	6,861	-
	412,781	214,898
Other current liabilities of joint venture	3,978	-
	416,759	214,898

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Notes:

- A.** The subsidiary company, AHPCL has not made payment of interest dues in certain cases. The details of payments not made as at March 31, 2015 are as follows:

Particulars	Nature of due	March 31, 2015	Period of delay	March 31, 2014	Period of delay
Indian rupee term loan from banks (secured)	Interest	3,614	Upto 59 days	-	-
Indian rupee term loan from banks (secured)	Interest	3,755	Upto 59 days	-	-

- B.** The subsidiary company, GVKGPL has not made payment of interest dues in certain cases. The details of payments not made as at March 31, 2015 are as follows:

Particulars	Nature of due	March 31, 2015	Period of delay	March 31, 2014	Period of delay
Indian rupee term loan from banks (secured)	Interest	-	-	436	Upto 60 days
Foreign currency term loans (secured)	Interest	-	-	84	Upto 16 days

- C.** The subsidiary company, GVKGPL has not made payment of interest dues in certain cases. The details of payments not made as at March 31, 2015 are as follows:

Particulars	Nature of due	March 31, 2015	Period of delay	March 31, 2014	Period of delay
Indian rupee term loan from banks (secured)	Interest	197	Upto 150 days	723	Upto 89 days
Foreign currency term loans (secured)	Interest	-	-	197	Upto 71 days

- D.** The subsidiary company, GVKADL has not made payment of interest dues in certain cases. The details of payments not made as at March 31, 2015 are as follows:

Particulars	Nature of due	March 31, 2015	Period of delay	March 31, 2014	Period of delay
Indian rupee term loan from financial institutions (secured)	Interest	1,839	Upto 59 days	1,487	Upto 59 days

- E.** The subsidiary company, GVK BVEPL has not made payment of interest dues in certain cases. The details of payments not made as at March 31, 2015 are as follows:

Particulars	Nature of due	March 31, 2015	Period of delay	March 31, 2014	Period of delay
Indian rupee term loan from banks (secured)	Interest	332	Upto 90 days	-	-
Indian rupee term loan from financial institutions (secured)	Interest	250	Upto 90 days	-	-

- F.** The subsidiary company, GVKPGSL has not made payment of interest dues in certain cases. The details of payments not made as at March 31, 2015 are as follows:

Particulars	Nature of due	March 31, 2015	Period of delay	March 31, 2014	Period of delay
Indian rupee term loan from banks (secured)	Interest	3,751	Upto 90 days	5,163	Upto 60 days
Indian rupee term loan from financial institutions (secured)	Interest	2,812	Upto 150 days	1,533	Upto 90 days

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

12 Tangible assets (note 36)

	Freehold Land	Leasehold Land	Factory building	Non-factory building	Roads and Bridges	Tangible assets of JV	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, 2013	42,608	1,253	6,880	112,865	5,837	-	378,163	7,033	2,872	15,164	5,818	1,099	122,121	701,713
Additions	793	-	-	526,342	56,956	-	120,526	7,002	250	29,652	39,078	105	7,156	787,860
Disposals	-	-	-	-	-	-	-	4	1	-	-	33	-	38
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Funded through Development Fee	-	-	-	(220,311)	-	-	(53,183)	(908)	-	-	(15,898)	-	(946)	(291,246)
- Exchange differences	-	-	-	-	-	-	2,646	-	-	-	-	-	-	2,646
As at March 31, 2014	43,401	1,253	6,880	418,896	62,793	-	448,152	13,123	3,121	44,816	28,998	1,171	128,531	1,200,935
Additions	106	-	-	26,605	5,935	5,637	3,574	462	120	2,316	352	31	13,400	58,538
Disposals	-	-	-	29,673	815	50	15,338	1,791	331	3,460	475	347	116	52,396
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Funded through Development Fee	-	-	-	(436)	(253)	-	3	88	-	(2)	(54)	-	(163)	(817)
- Exchange differences	-	-	-	-	-	-	981	-	-	-	-	-	-	981
As at March 31, 2015	43,507	1,253	6,880	415,392	67,660	5,587	437,372	11,882	2,910	43,670	28,821	855	141,452	1,207,241
Depreciation														
As at April 1, 2013	-	192	2,490	12,418	816	-	136,136	3,671	812	5,090	2,114	445	13,185	177,369
Charge for the year	-	42	222	6,612	663	-	21,926	661	502	2,355	1,415	103	4,924	39,425
Disposals	-	-	-	-	-	-	-	1	-	-	-	23	-	24
As at March 31, 2014	-	234	2,712	19,030	1,479	-	158,062	4,331	1,314	7,445	3,529	525	18,109	216,770
Charge for the year	-	42	283	13,887	6,670	255	28,282	2,306	980	4,736	2,843	139	6,399	66,822
Disposals	-	1	(3)	5,307	148	11	7,012	1,578	196	1,955	214	175	20	16,614
As at March 31, 2015	-	275	2,998	27,610	8,001	244	179,332	5,059	2,098	10,226	6,158	489	24,488	266,978
Net Block														
As at March 31, 2014	43,401	1,019	4,168	399,866	61,314	-	290,090	8,792	1,807	37,371	25,469	646	110,222	984,165
As at March 31, 2015	43,507	978	3,882	387,782	59,659	5,343	258,040	6,823	812	33,444	22,663	366	116,964	940,263

Notes: i) 'Funded through development fee' represents funding made available as per the directions of MoCA, Government of India/AERA by levy of Development Fee from passengers to be exclusively utilised for development of airport assets. Also refer note 17(ii).

ii) As per Part B of Schedule II to the Companies Act 2013 ("the Act") 'Depreciation on specific assets is to be provided considering useful lives and residual value of those assets, as may be notified by the Airports Economic Regulatory Authority of India (AERA)'. Since AERA has yet to notify the useful lives and residual values for the said assets, Company has adopted the useful lives and residual values as mentioned in note 2(d).

iii) 'Roads and Bridges' includes contribution towards elevated expressway to the Terminal 2.

iv) Additions to Buildings includes Rs. 18,691 (March 31, 2014: Nil) towards site development cost

v) Fixed assets include certain assets in airport and energy vertical, which will/can be acquired by grantor upon making transfer payments.

Notes to consolidated financial statements for the year ended March 31, 2015

(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, 2013	67,796	116,161	3,361	47,081	234,399
Additions	-	-	730	-	730
Disposals	-	-	-	-	-
As at March 31, 2014	67,796	116,161	4,091	47,081	235,129
Additions	554	-	1,323	-	1,877
Disposals	-	-	16	-	16
-Funded through development fee	-	-	(1,212)	-	(1,212)
As at March 31, 2015	68,350	116,161	4,186	47,081	235,778
Depreciation					
As at April 1, 2013	17,258	-	2,283	7,699	27,240
Charge for the year	2,661	-	1,108	1,704	5,473
Disposals	-	-	-	-	-
As at March 31, 2014	19,919	-	3,391	9,403	32,713
Charge for the year	3,139	-	461	1,702	5,302
Disposals	-	-	12	-	12
As at March 31, 2015	23,058	-	3,840	11,105	38,003
Net Block					
As at March 31, 2014	47,877	116,161	700	37,678	202,416
As at March 31, 2015	45,292	116,161	346	35,976	197,775

Note:

*Will be transferred to grantor after the end of concession period.

**Other compensation with gross block of Rs. 31,696 (March 31, 2014: Rs. 31,696) and net block of Rs. 25,177 (March 31, 2014: Rs. 26,365) under Airport Grant represents obligation towards retirement compensation as per terms of OMDA.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

14. Expenditure incurred during construction period

Particulars	As at April 1, 2014	Additions	As at March 31, 2015
Personnel expenses:			
Salaries, allowances and bonus	35,490	7,329	42,819
Contribution to provident and other funds	371	166	537
Staff welfare	649	172	821
Power, fuel and water charges	3,720	663	4,383
Stores and consumables	854	64	918
Rent	9,298	490	9,788
Rates and taxes	2,505	144	2,649
Communication costs	588	91	679
Travelling and conveyance	10,085	1,271	11,356
Legal and professional charges	41,795	5,118	46,913
Survey charges	174	1	175
Repairs and maintenance:			-
Building	749	94	843
Plant and machinery	36	-	36
Others	528	84	612
Insurance	5,363	4,515	9,878
Land lease charges	11	3	14
Printing and stationery	213	22	235
Remuneration to directors	732	89	821
Office and guest house maintenance	763	663	1,426
Exchange fluctuations	7,313	942	8,255
Miscellaneous expenses	4,913	1,477	6,390
Depreciation	1,452	592	2,044
Project premium	8,704	-	8,704
Financial expenses:			-
Interest expenses	385,349	115,678	501,027
Bank charges	7,293	2,802	10,095
Sub Total - (A)	528,948	142,516	671,464
Less:			
Interest income	5,646	5,492	11,138
Dividend income from mutual funds	5,777	1,011	6,788
Profit on sale of mutual funds	109	-	109
Provisions no longer required written back	732	2,531	3,263
Miscellaneous income	554	214	768
Insurance claim	4,113	7,559	11,672
Gain on forward contracts	141	-	141
Sub Total- (B)	17,072	16,807	33,879
Amount capitalised (C)	204,348	2,530	206,878
Amount written off (D)	-	891	891
Balance carried to balance sheet (A-B-C-D)	307,528	122,288	429,816

The aforesaid schedule includes Rs. 1,104 incurred till date by GVKSDEPL which is involved in litigation with NHAI as described in note 28 B(viii) of notes to accounts.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

15. Non-current investments

	March 31, 2015	March 31, 2014
Trade investments (unquoted, at cost)		
Investment in associates		
A] Seregraha Mines Limited		
4,463,242 (March 31, 2014: 4,237,242) equity shares of Rs. 10 each fully paid up	446	424
Less: Provision for diminution in value of investments	(446)	-
	-	424
B] Bangalore International Airport Limited		
165,378,000 (March 31, 2014: 165,378,000) equity shares of Rs. 10 each fully paid up (includes Goodwill amounting to Rs. 160,730 (March 31, 2014: Rs. 160,730))	179,340	179,340
Add: Opening balance of accumulated profit	18,275	15,511
Add: Profit for the year	3,220	2,764
	200,835	197,615
	200,835	198,039
Investment in equity instruments		
50,000 (March 31, 2014: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers Singapore Pte Limited (note 39)	25	25
Non-trade investments (unquoted, at cost)		
Investment in Government or trust securities		
National Savings Certificates	7	6
	32	31
	200,867	198,070
Aggregate amount of unquoted investments	200,867	198,070

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

16. Loans and advances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Loan and advances to related parties				
Unsecured, considered good				
Loan to GVK employee welfare trust (note 34)	-	-	4,500	4,500
Others	-	-	66	201
(A)	-	-	4,566	4,701
Capital advances				
Unsecured, considered good	96,709	129,141	-	-
(B)	96,709	129,141	-	-
Deposits				
Unsecured, considered good	831	1,619	945	425
(C)	831	1,619	945	425
Advances recoverable in cash or kind				
Unsecured considered good	1,940	6,421	17,578	6,080
(D)	1,940	6,421	17,578	6,080
Other loans and advances				
(Unsecured, considered good)				
Advance income-tax (net of provision for taxation)	13,038	17,787	12,518	2,075
Prepaid expenses	290	343	756	923
MAT credit entitlement	15,110	14,522	-	-
Others	-	-	260	358
(E)	28,438	32,652	13,534	3,356
Loans and advances of joint venture				
	-	-	54	-
(F)	-	-	54	-
(A+B+C+D+E+F)	127,918	169,833	36,677	14,562

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

17. Trade receivables and other assets**(i) Trade receivables**

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	11,141	9,164	10,674	20,504
Doubtful	-	-	660	500
	11,141	9,164	11,334	21,004
Provision for doubtful receivables	-	-	(660)	(500)
(A)	11,141	9,164	10,674	20,504
Other receivables				
Unsecured, considered good	-	1,078	20,921	27,239
(B)	-	1,078	20,921	27,239
Trade receivables of joint venture	-	-	457	-
(C)	-	-	-	-
(A+B+C)	11,141	10,242	32,052	47,743

- 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, 2014: Rs. 4,512) by GVKIL. The increased capital cost was subject to the approval of APERC. During the previous year, APERC had passed an Order allowing partial increase in capital cost. AP Transco had filed an appeal in Appellate Tribunal for Electricity (APTEL) against the APERC Order. The Company had also filed an appeal in APTEL against APERC Order for allowing only partial increase in capital cost. During the current year, APTEL has dismissed the appeals filed by both the parties and has upheld APERC order. Pending the expiry of time limit for filing an appeal by AP Transco, the claim for reimbursement of fixed charges based on the increased capital cost as approved by APERC and APTEL has not been made on AP Transco. The management of the subsidiary company based on its internal assessment and legal advice is confident 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.
- 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, 2014: Rs. 3,530) are refuted by AP Transco. While the subsidiary companies contend that they are 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. During the previous year, APTEL has passed an order in favour of one of the subsidiary companies; however AP Transco has not made any payment towards the claim amount of Rs 1,500. Further, similar matter is pending at Supreme Court. Based on its internal assessment and legal advice, the subsidiary companies contend that these amounts are recoverable.
- c) Trade receivables further include an amount of Rs.3,023 (March 31, 2014: Rs.2,124) being the disincentives recovered by AP Transco for allegedly GVKIL not achieving the minimum PLF as specified under PPA. The Management based on its computation of PLF believes that threshold as specified in PPA has been achieved and accordingly believes that AP

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Transco has incorrectly recovered the aforesaid amount. GVKIL is in the process of filing suit against AP Transco for recovery of the aforesaid amount. The management of the subsidiary company based on its internal assessment and legal advice is confident of recovery of the aforesaid amounts.

- d) Trade receivables further include an amount of Rs.76 (March 31, 2014: 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.
- e) MIAL has to recover Rs. 14,253 (March 31, 2014: Rs. 29,959) from Air India Limited (Air India) a Company wholly owned by Government of India, and its subsidiaries. Air India has been facing financial difficulties and has been settling its dues with significant delays. Air India has been consistently receiving budgetary support from the Central Government during the past few years which are expected to continue so as to enable it to turnaround. MIAL accordingly considers its dues from Air India as good and recoverable. MIAL has also made significant recoveries of its dues from Air India during the year.

(ii) Other assets

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good				
Non-current bank balances (note 20)	788	5,766	-	-
Non-current inventory (note 19)	18,884	18,887	-	-
Unamortised expenditure				
Unamortised portion of ancillary cost of arranging the borrowings	3,123	3,833	2,926	2,218
Others				
Unbilled revenues	-	-	6,902	3,559
Interest accrued on fixed deposits	4	3	2,103	1,058
DF Fund receivable (note below)	230,028	243,275	11,393	8,537
Share application money to associate/related parties	33,290	22,193	-	-
Receivable from joint venture	-	-	7,713	-
Other receivables	-	-	1,594	9,409
	286,117	293,957	32,631	24,781

In terms of Airports Economic Regulatory Authority (AERA) order dated December 21, 2012, MIAL is allowed to collect Development Fee (DF) upto Rs.340,000 (excluding Rs.133,050 towards interest on loan taken against securitisation of DF (DF Loan) which is to be utilized exclusively for development of airport assets and to meet the funding gap of the project. The DF to the extent of Rs.340,000 has been reduced from the assets (note 12).

Following transactions have taken place during the year on account of DF

- i. Billed to airlines - Rs. 38,008 (March 31, 2014: Rs. 34,895)
- ii. Interest incurred and loan processing charges - Rs. 31,093 (March 31, 2014: Rs. 27,107)
- iii. Income earned on unutilized funds - Rs. 756 (March 31, 2014: Rs. 1,551)

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

18. Current investments

	March 31, 2015	March 31, 2014
Current investments (valued at lower of cost and fair value)		
Other than trade (unquoted)		
Investments in units of Mutual Funds	5,361	21,354
	5,361	21,354

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

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Stores, spares and consumables	18,884	18,887	1,020	875
Raw materials (fuel)	-	-	2,970	2,954
	18,884	18,887	3,990	3,829
Amount disclosed under non-current assets [note 17 (ii)]	(18,884)	(18,887)	-	-
	-	-	3,990	3,829

20. Cash and bank balances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash and cash equivalents				
Balances with banks:				
– On current accounts	-	-	27,306	71,999
– Deposits with originally maturity of less than three months	-	-	103,087	64,025
Cheques/drafts on hand	-	-	235	1,474
Cash on hand	-	-	161	115
	-	-	130,789	137,613
Other bank balances				
– Deposits with original maturity for more than 3 months but less than 12 months	5	5	5,566	40,570
– Margin money deposit/security against borrowings	783	5,761	13,166	3,164
	788	5,766	18,732	43,734
Amount disclosed under non-current assets [note 17 (ii)]	(788)	(5,766)	-	-
	-	-	149,521	181,347
Cash and bank balances of joint venture	-	-	30	-
	-	-	149,551	181,347

Balances with banks in current accounts include balances of Rs. 1,142 (March 31, 2014: Rs. 674) on account of marketing fund collected from concessionaries which is to be utilised for specific purposes.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

21. Revenue from Operations

	March 31, 2015	March 31, 2014
Revenue from operations		
Sale of electrical energy	29,040	36,698
Sale of services		
Income from toll operations	29,983	27,195
Aeronautical	127,242	117,861
Non-aeronautical	87,270	80,531
Cargo operations	23,146	16,661
Operating fee	7,821	3,147
	304,502	282,093
Revenue from operations of joint venture	463	-
	304,965	282,093

22. Other income

	March 31, 2015	March 31, 2014
Interest income on		
Bank deposits	5,098	4,914
Others	387	352
Dividend income on		
Non trade current investments (net)	-	1
Profit on sale of investments		
Non trade current investments (net)	940	1,186
Profit on sale of fixed assets (net)	-	5
Guarantee commission	1,548	3,055
Credit note received for transmission charges	-	1,630
Liabilities written back	65	392
Profit on disposal of controlling interest in subsidiary	496	-
Miscellaneous income	128	531
	8,662	12,066
Other income of joint venture	3	-
	8,665	12,066

23. Employee benefit expense

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	14,930	16,145
Contribution to provident and other funds	614	633
Retirement and other employee benefits	363	109
Staff welfare expenses	183	202
	16,090	17,089
Employee benefit expenses of joint venture	104	-
	16,194	17,089

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

24. Other expenses

	March 31, 2015	March 31, 2014
Operating and maintenance expenses	11,429	11,089
NHA share of toll fee	4,191	3,675
Rent	1,250	836
Rates and taxes	1,944	2,531
Repairs and maintenance:		
- Buildings	5,839	7,065
- Roads	4,751	1,532
- Plant and machinery	5,030	3,580
- Others	931	870
Vehicle hire charges	124	135
Insurance	997	885
Electricity and water	10,537	6,418
Travel and conveyance	1,319	1,505
Communication	274	259
Printing and stationery	49	59
Advertisement	575	1,649
Bid and tender document charges	69	16
Legal and professional charges	6,953	7,169
Prompt payment rebate	592	1,225
Auditor's remuneration (refer note below)	25	18
Directors' sitting fee	29	31
Donation	140	559
Foreign exchange fluctuations (net)	916	814
Provision for diminution in value of investments	446	-
Loss on disposal/ write off of assets*	32,138	-
Provision for doubtful trade receivable	160	-
Bad debts	-	1,205
Miscellaneous expenses	2,420	2,270
	93,128	55,395
Other expenses of joint venture	1,814	-
	94,942	55,395

* Loss on disposal / write off of assets represents write off of capital work in progress including expenditure incurred during construction period in GVK Oil & Gas Limited to an extent of Rs.7,590 and loss on demolition of old T2 and disposal/transfer of assets in MIAL to an extent of Rs.24,548.

	March 31, 2015	March 31, 2014
As auditor:		
Audit fee	13	12
Limited Review	5	5
In other Capacity:		
Other services (certification fees)	6	-
Reimbursement of expenses	1	1
	25	18

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

25. Depreciation and amortization expense

	March 31, 2015	March 31, 2014
Depreciation of tangible assets	66,822	39,425
Amortization of intangible assets	5,302	5,473
	72,124	44,898
Less: Transfer to Expenditure incurred during construction period	592	299
Less: Amount withdrawn from deferred income	977	828
	70,555	43,771

26. Finance costs

	March 31, 2015	March 31, 2014
Interest	139,556	90,467
Bank charges	1,285	2,463
Amortization of ancillary borrowing costs	6,521	3,522
	147,362	96,452

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 funded for all significant subsidiaries except for MIAL.

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, 2015	March 31, 2014
Current service cost	220	225
Interest cost on benefit obligation	105	93
Expected return on plan assets	(13)	(8)
Net actuarial(gain) / loss recognized in the year	166	(244)
Net benefit expense	478	66

(B) Balance sheet

	March 31, 2015	March 31, 2014
Present value of funded obligation	417	338
Fair value of plan assets	(220)	(163)
	197	175
Present value of unfunded obligation	984	716
Net liability *	1,181	891

* The Company and certain subsidiaries have paid Rs. 19 (March 31, 2014: Rs. Nil) to the trust in excess of liability as at balance sheet date which is included under the head "Advances recoverable in cash or kind" under "Short term loans and advances".

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

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	1,054	1,029
Current service cost	220	226
Interest cost	105	93
Benefits paid	(147)	(49)
Actuarial (gains) / losses on obligation	169	(245)
Closing defined benefit obligation	1,401	1,054

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

(D) Changes in the fair value of plan assets are as follows:

	March 31, 2015	March 31, 2014
Opening fair value of plan assets	163	75
Expected return	13	8
Contributions by employer	48	130
Benefits paid	(7)	(49)
Actuarial gains / (losses)	3	(1)
Closing fair value of plan assets	220	163

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

	March 31, 2015	March 31, 2014
Discount rate	7.80% to 7.95% p.a.	9.25% to 9.35% p.a.
Expected rate of return on assets	7% p.a.	7% p.a.
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.

28. Contingent liabilities**A) Parent Company****1. Direct and indirect taxes**

- Income tax demand for assessment year 2008-09 for Rs. 73 (March 31, 2014: Rs. 73), for assessment year 2009-10 Rs. 10 (March 31, 2014: Rs. Nil), for assessment year 2010-11 for Rs. 279 (March 31, 2014: 279), for assessment year 2011-12 for Rs. 11 (March 31, 2014: Rs. 11) and for assessment year 2012-13 Rs. 44 (March 31, 2014: Rs. Nil).
- 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.

2. Security against loans taken by others

- The Company has provided security by way of corporate guarantees amounting to Rs. 3,941 (March 31, 2014: 5,635) for securing loans obtained by GVK Projects and Technical Services Limited.
- The Company has provided security by way of guarantee amounting to Rs. 320,189 (March 31, 2014: Rs. 294,489) for securing loans obtained by GVK Coal Developers (Singapore) Pte Limited.

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, 2015	March 31, 2014
On account of guarantees issued by banks	128	128
Service Tax demand on operator of the power plant*	1,286	1,129
Claims not acknowledged as debts- electricity duty*	1,865	1,865
Income tax demands pending in appeals*	5,981	5,979
Refund of duty drawback under deemed exports scheme*	1,498	-

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- 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. The subsidiary company is contesting the contention of AP Transco and 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 at 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 reduction of 40,000 MT. The contract with BPCL expired on Jan 29, 2012. Liability on account of this as at March 31, 2015 is Rs. 117 (March 31, 2014: Rs. 117). The subsidiary company is confident of receiving acceptance from BPCL.
- 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 for non-adherence to backing down instructions by GVK Power & Infrastructure Limited, operator of the power plant of the subsidiary. APSLDC has claimed an amount of Rs. 1,320 (March 31, 2014: Rs. 1,320) for the aforesaid non-compliance. APERC has appointed adjudicating officer to conduct an enquiry into the matter. Management based on its internal assessment is confident that the matter will be decided in the subsidiary company's favour.
- The subsidiary company approached AP Transco for new connection while constructing its new power plant upon which AP Transco raised demand of Rs. 406 (March 31, 2014: 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 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 subsidiary Company's favour.

ii) GJEPL

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks	1,000	1,250
Disputed income tax demands*	72	121
Claims not acknowledged as debts*	-	27

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

iii) AHPCL

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks	-	300
Claims not acknowledged as debts- royalty*	13,100	13,739
Disputed income tax demands*	195	120

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

iv) GVKPGSL

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks	4,050	4,050
Interest and other charges debited by Financial Institutions not acknowledged as debt*	1,863	-

* Management based on its internal assessment is confident that the matter will be decided in the subsidiary company's favour.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

v) GVKGPL

Particulars	March 31, 2015	March 31, 2014
Service Tax demand on operator of the power plant*	815	645
Claims not acknowledged as debts- electricity duty*	3,475	3,472
Disputed income tax demands*	1,669	1,669

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

- 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 for non-adherence to backing down instructions by subsidiary. APSLDC has claimed an amount of Rs. 290 (March 31 2014: Rs. 290) for the aforesaid non-compliance. APERC has appointed adjudicating officer to conduct an enquiry into the matter. Management based on its internal assessment is confident that the matter will be decided in favour of subsidiary company.

vi) GVKDPPL

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks	5,200	5,200

vii) GVKRHEPPL

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks	98	98

viii) GVKSDPEPL

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks*	14,075	14,075

* Without prejudice to the above guarantee, the subsidiary company has requested National Highway Authority of India ("NHAI") to return the bank guarantee amounting to Rs. 14,075 provided to them as per the requirement and provisions of the concession agreement as performance security. NHAI has failed to return the performance security to the subsidiary company and therefore the subsidiary company has initiated arbitration process to adjudicate on the dispute on returning of the performance security. The subsidiary company has also filed an application before the Honourable Delhi High Court, praying for relief from possible invocation of the performance security by NHAI and the Honourable Delhi High Court has granted interim injunction against invocation and encashment of performance security and referred the matter for Arbitration under the provisions of the concession agreement. The proceedings before the Arbitral Tribunal are in progress. The interim orders of the Honourable High Court of Delhi to maintain status quo on the performance security is in force as on the date of the balance sheet. Further, consequent to the orders dated April 10, 2015 from the Arbitral Tribunal, the subsidiary is permitted to renew the bank guarantee for a value of Rs. 2,815 instead of Rs. 14,075. The bank guarantee is due for renewal with effect from May 06, 2015. As requested by NHAI, without prejudice to the pending litigation, the subsidiary company submitted a proposal to NHAI asking for various concessions and reliefs which include compensation for increase in capital cost, site mobilisation cost, tolling the existing 2-lane highway during construction period, premium re-schedulement etc. if the subsidiary company were to take up the project. Pending proceedings before the Arbitration tribunal, the subsidiary company is yet to receive response from NHAI on the said proposal. The Arbitral Tribunal is adjudicating, among other things, the claims and counter claims by both the parties, which include the expenditure incurred by the subsidiary company till date. The Arbitration petition is now posted to September 29, 2015 for NHAI's response, and for filing of rejoinder, if any, by the subsidiary company on

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

the response filed by NHAI. Pending final resolution of matters referred at the notes above, the subsidiary company is of the opinion that it has a reasonably good case.

ix) GVKOGL

- The subsidiary company has given performance bank guarantee's amounting to Rs. Nil (March 31, 2014: Rs. 813) for one oil block 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, 2014: Rs. 82) under the category "Survey and Exploration of Mineral Service" on the seismic data purchased by the subsidiary company. 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 and remitted Rs. 662 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, 2014: 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 judgments, there is a high likelihood that the case will be decided in its favour.

x) GVKDKEPL

- During the year 2011-12, the subsidiary company had received a demand from NHAI for taking any other action or measures including recovering from escrow account Rs. 157 (March 31, 2014: Rs. 157), for alleged delay of 53 days in achieving financial closure, purportedly in terms of provisions of Article 24.1.1 of the concession agreement dated May 17, 2010. The Company has contested the claim on the grounds that the financing arrangement had to be executed and funds had to be placed for financial close, and that this was achieved by the subsidiary without delay and by fulfilling its obligations under the said concession agreement in a timely manner.
- The subsidiary thereafter approached the Honourable high court at Delhi in April 2013 under the Arbitration and Conciliation Act, 1996 with an application seeking to restrain NHAI from recovering the said amount including from the escrow account. The Honourable High Court vide its order dated May 23, 2013 has granted injunctive relief by directing NHAI to maintain status quo with respect to its said demand. The said order has been extended from time to time and the same is subsisting as of the date of this balance sheet. The matter is presently sub-judice and pending resolution with NHAI. Management based on its internal assessment is confident that the matter will be decided in the subsidiary company's favour.

xi) GHPPL

- The subsidiary company had filed an appeal before Honorable 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 Honorable 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 (March 31, 2014: Rs. 1,683) to the subsidiary company after deducting Rs. 1,334 (March 31, 2013: Rs. 1,334). The subsidiary company has preferred an appeal before the Honorable Supreme Court of India and the subsidiary company is of the view that the matter will be decided in its favour.

xii) MIAL

- Claims against MIAL not acknowledged as debts:

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

- a) Income tax amounting to Rs. 5,764 (March 31, 2014: Rs. 11,782) demanded by the concerned authorities, which has been adjusted against refund of assessment year 2011-12.
 - b) Service Tax amounting to Rs. 13,923 (March 31, 2014: Rs. 13,923) 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 advice received by the subsidiary company. Of this Rs. 2,959 was paid under protest.
 - c) Other claims amounting to Rs. 6,215 (March 31, 2014: Rs. 5,677) not acknowledged as debts.
 - d) The Ministry of Civil Aviation issued an Order No. AV. 13024/03/2011-AS dated February 18, 2014 regarding expenditure out of Passenger Service Fee (Security Component) ["PSF (SC)"] wherein all airport operators were directed to reverse/reimburse back to the PSF(SC) the total amount spent on capital costs/expenditure towards procurement and maintenance of security system/equipment and on creation of fixed assets out of PSF(SC). Up to March 31, 2015 the funds spent on such expenditure by the subsidiary company is Rs 32,617 (March 31, 2014: Rs. 30,511). The subsidiary company has challenged the said order before the Hon'ble Bombay High Court by way of writ petition. Hon'ble Bombay High Court vide its order dated April 17, 2014 has stayed the recovery against the subsidiary company. Based on an internal assessment and aforesaid order of Hon'ble Bombay High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statement.
 - e) Claims for utilization of cenvat credit in relation to construction activities amounting to Rs. 3,680 (March 31, 2014: Rs 2,046) contested by the subsidiary company on the grounds that the restriction of utilization of cenvat Credit are not applicable to Airport Services as defined under clause (zzm) of Section 65 (105) of the Finance Act, 1994.
- The subsidiary company had awarded a contract to Housing Development and Infrastructure Ltd (HDIL) to undertake activities relating to rehabilitation of slum dwellers and restoration of airport land. Due to non-performance of the contract by HDIL, the subsidiary company had encashed the bank guarantee of Rs. 2,500 provided by HDIL to the subsidiary company under the contract. Thereafter, the subsidiary company terminated the agreement. Post termination of the agreement, HDIL moved an application under section 9 of The Arbitration and Conciliation Act, 1996 before Honourable Bombay High Court seeking certain reliefs which was rejected by the Learned Single Judge, interalia, upholding the termination of the agreement by MIAL as valid. Similarly HDIL's appeals were also dismissed by the Learned Division Bench of the Honourable Bombay High Court and Honourable Supreme Court. Meanwhile, HDIL invoked the arbitration clause of the agreement and both the subsidiary company and HDIL nominated their respective arbitrators who in turn nominated the presiding arbitrator and thus, the arbitral tribunal is constituted. HDIL has filed its statement of claim for Rs. 323,700 together with interest thereon @ 18% p.a. and also made an application for interim reliefs under section 17 of The Arbitration and Conciliation Act, 1996. The subsidiary company has also filed its statement of defence and counter claim for Rs. 1,138,500 together with interest thereon @ 18% p.a. The Arbitral Tribunal vide its order dated February 17, 2015 has also rejected application filed by HDIL under section 17 seeking interim direction for protection of the properties, which is the subject matter of dispute.
 - 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 action 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.
 - The Airports Authority of India has claimed service tax on the annual fee being paid by the subsidiary company. The Company has disputed the levy under the provisions of the OMDA and the Finance Act. As the matter is under dispute and pending with Hon'ble High Court of Delhi, no adjustment has been considered in these financial statements.

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

However, in the opinion of the subsidiary company, this would not have any impact on its financial results as the same would be adjusted against service tax payable on services provided by the subsidiary company.

- The subsidiary ("MIAL") has paid Annual Fee to AAI on interest recovered from its customers on delayed payment under protest. The applicability of Annual Fee on such interest is disputed by the Company as the Annual Fee on related revenues has already been paid in time as per OMDA even though such dues are not collected from customers in time and the interest recovered is primarily to compensate for the Company's own borrowing cost.
- The Comptroller and Auditor General of India (CAG) has conducted the performance audit of Public Private Partnership (PPP) project of AAI at Chhatrapati Shivaji International Airport (Mumbai Airport) for the period 2006 to 2012. The CAG Report has been laid on the table of the Parliament House on July 18, 2014 wherein they have made certain observations on MIAL project. The management is of the opinion that the observations in the CAG report do not have any financial impact on these financial statements of the Company.
- The subsidiary company is a party to various land litigations with respect to the land demised to it pursuant to entering into OMDA and lease deed with AAI. Based on the internal legal assessment, the management is confident that these litigations would not result into any liability to the subsidiary company and as such no provision has been made in these financial statements.

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

i) SML

Particulars	March 31, 2015	March 31, 2014
On account of guarantees issued by banks	1,065	1,065

ii) BIAL

Particulars	March 31, 2015	March 31, 2014
Claims against the associate company not acknowledged as debts*	15	15

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the associate company's favour.

- The associate company has issued bank guarantee to Customs authorities aggregating to Rs. 117 (March 31, 2014: Rs. 117) with respect to grant of project import license to extend concessional rate of duty for import of certain eligible equipments for use in KIA terminal I expansion project.
- 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, 2014: Rs. 92).
- 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 2005-06. The associate company had earlier paid the TDS amount of Rs. 255 (March 31, 2014: Rs. 255) under protest before getting the relief from ITAT. This was refunded to the associate company along with the interest of Rs. 39 (March 31, 2014: Rs. 39) as a result of favorable ITAT order. The High Court heard the case on July 01, 2014 and remanded it back to Tribunal for reconsideration. The Income Tax Tribunal resumed the case on January 07, 2015 and has posted the matter for further hearing on May 06, 2015.
- The associate company has received demand orders from Commissioner of service tax for the periods 2005-2009, 2009-10 and 2010-11 for payment of service tax of Rs. 137 (March 31, 2014: Rs. 114) 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. 135 (March 31, 2014: Rs. 100) and Rs. 151 (March 31, 2014: Rs. 140) respectively. Further, a show

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

cause notice has been issued for period 2012-2013 for a sum of Rs. 12 (net of payment made amounting to Rs. 51) (March 31, 2014: Rs. 88) on the same account and few other matters. These payments relate to salaries of expatriates who were seconded to associate company. The associate company has preferred an appeal against demand orders before Customs, Excise, and Service Tax Appellate Tribunal ("CESTAT") and challenged the show cause notice which is not confirmed by formal demand as on the balance sheet date. During the previous period, the associate company has obtained stay orders from the CESTAT on the demand orders in original and presently awaiting disposal on merits. 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.

- The associated company had received a demand order dated November 21, 2013 from Anneswara Gram Panchayat to pay property tax amounting to Rs. 839 (March 31, 2014: Rs. 839) for the period 2010-2014. The Company was of the view that it is liable to pay property tax only for the period 2013-14 and paid an amount of Rs. 210 (March 31, 2014: Rs. 210). Further, during the year the associate company has received a demand order dated October 21, 2014 from Bettakotte Gram Panchayat for Rs 88 (March 31, 2014: Rs. Nil) for the period 2010-2013 and 2014-2015 as per Karnataka Panchayat Raj Act, 1993. The associated company has paid the property tax for the financial year 2013-2014 for all the Panchayats. Further, the associate company had written to the Government of Karnataka seeking a waiver/reduction for the period 2010-2013. The associate company has not received any demand order from the other Panchayats for the earlier years except as stated above. The associate company based on the prescribed rates has accounted for the property tax for the earlier years and 2014-15 as at March 31, 2015 based on the best estimate of the liability.
- The associate company received an Income-tax assessment order for assessment year 2010-11 in March 2013 from Deputy Commissioner of Income Tax, Bangalore for the assessment year 2010-11 with a net demand of Rs. 670 (March 31, 2014: Rs. 670). During the year, the associate company preferred Rectification and Appeal before Commissioner of Income Tax (Appeals) and successfully obtained partial relief at the appellate stage. The net demand was reduced to Rs. 144 (March 31, 2014: Rs. 114) which was fully covered by the pre-deposit and refunds due to the company from the Department. The associate company approached the Income Tax Appellate Tribunal ("ITAT") for the balance relief and the department has also challenged the Commissioner of Income Tax (Appeals) Order. The case was admitted by the ITAT on February 05, 2015 and is posted for hearing on April 29, 2015.
- The associate company is not carrying provisions for all the above mentioned amounts in its books of account, as the associate company is confident of successfully litigating the matters.
- The associate company had received observations from the Comptroller and Auditor General of India ('CAG') during the audit for the years 2010-2011, stating that the perimeter wall should not form a part of the PSF(SC) books based on Ministry of Civil Aviation ('MoCA') SOP and clarification dated July 05, 2010. The associate company had replied to the CAG stating that the general clarification by MoCA in July 2010 stated that the April 16, 2010 order shall be applicable prospectively and should not be applied retrospectively and accordingly no adjustment is required to be carried out. The CAG had also sent their comments to the MoCA for the audit for the year 2010-2011 in the month of March 2012 with a copy of the same to the associate company. During the audit for the year 2011-2012, the CAG had sought the latest position on this issue. The associate company had once again justified the treatment of expenditure on the airport security wall as security related expenditure.

In June 2013, the associate company received a communication from MoCA in relation to the audit for the year 2011-12, which did not request for further comments on the issue related to treatment of expenditure on the security wall as

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

security related expenditure. The CAG has during the audit for years 2012-2013 and 2013-2014 also did not request for any further information on the aforesaid expenditure on airport security wall. Accordingly, the associate company has retained the security related capital assets (including perimeter wall) in the books of PSF (SC).

During the previous year, the associate company has received an order from MoCA dated February 18, 2014 directing the associate company to reimburse all capital expenditure incurred out of the PSF (SC) within a period of one month together with the interest accrued. The associate company has filed a writ petition with the High Court of Karnataka seeking a stay on MoCA's order. The Honourable High Court has granted an interim stay on the said order. The Honourable High Court has also granted MoCA time to file their objections in the matter.

The tax loss of the PSF (SC) books for the current year amounting to Rs. 221 has been adjusted with the total income of the associate company for the purpose of the minimum alternate tax for the year ended March 31, 2015.

29. Capital and other commitments

A) Parent and subsidiary companies

- The Company has given undertaking to infuse equity aggregating to Rs. 333,258 (March 31, 2014: Rs. 306,509) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 81,148,236 (March 31, 2014: 81,148,236), 22,495,000 (March 31, 2014: 22,495,000) and 48,000,000 (March 31, 2014: 44,800,00) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal (Singapore) Pte. Limited, an entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited will be able to meet its obligations.
- During the year ended March 31, 2011, 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 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%, 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.

- Estimated amounts of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. 476,184 (March 31, 2014: Rs. 466,938).

B) 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. 2,336 (March 31, 2014: Rs. 1,245).
- On account of open forward exchange contracts and lease commitments aggregating Rs. Nil (March 31, 2014: Rs. 39).

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

30. Related Party Transactions

During the year ended March 31, 2015, 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
SML *	Associates
BIAL *	Associates
Dr. GVK Reddy, Chairman & Managing Director	Key management personnel
Mr. G V Sanjay Reddy, Vice Chairman and Director	
Mrs. Indira Krishna Reddy, 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) (GVK EMRI)	
GVK Foundation	
GVK Airport Foundation	
GVK Employee Welfare Trust	
GVK Coal Developers (Singapore) Pte Ltd	
GVK Projects & Technical Services Limited	

* Through subsidiary companies

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Details of related party transactions during the year:

Particulars	GVK Projects & Technical Services Ltd	GVK Technical & Consultancy Services Pvt Ltd	Pinakani Share and Stock Broker Ltd	GVK Coal Developers (Singapore) Pte Ltd	TAJ GVK Hotels & Resorts Ltd	Orbit Travels & Tours Pvt Ltd	GVK Novopan Industries Ltd	GVK Foundation	GVK Airport Foundation	GVK EMRI	Paigah House Hotel Pvt Ltd
Rent	-	-	-	-	-	-	-	-	-	-	142
	-	-	-	-	-	-	-	-	-	-	(151)
Services received (including EPC services)	30,527 (66,885)	6,316 (4,749)	6 (9)	-	36 (45)	330 (450)	-	-	-	-	-
Services rendered	17	-	-	1,507 (2,994)	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	109 (117)	(442)	-	-
Advances given	4,940 (23,262)	2,949 (111)	-	-	-	-	-	-	-	-	-
Advances recovered	141 (6,529)	- (105)	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	537 (92)	4 (6)	-	-	-	-	-	-
Loans recovered	39,839	-	-	-	-	-	(29)	-	-	-	-
	-	-	-	(177)	-	-	-	-	-	(4,380)	-
Loans taken	-	-	-	-	-	-	-	-	-	-	-
Loans repaid	39,839 (200)	-	-	-	-	-	-	-	-	-	-
Share application money given	-	-	-	11,288 (32,522)	-	-	-	-	-	-	-
Share application money recovered	-	-	-	173 (10,348)	-	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	-	-	-	-
Corporate guarantee given	-	-	-	25,700 (51,169)	-	-	-	-	-	-	-
Corporate guarantee released	1,693 (1,245)	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-
Refund of remuneration by key managerial personnel	-	-	-	-	-	-	-	-	-	-	-
Director sitting fee	-	-	-	-	-	-	-	-	-	-	-
Shares pledged (no. of shares)	-	-	-	(7,930,589)	-	-	-	-	-	-	-
Balances outstanding											
Receivables/ (Payables) - March 31, 2015	46,337	(1,398)	(17)	35,398	(5)	(58)	-	(63)	-	-	(37)
Receivables/ (Payables) - March 31, 2014	37,227	84	(27)	22,178	1	(50)	110	(118)	(51)	-	-
Corporate Guarantee	3,941 (5,634)	-	-	320,189 (294,489)	-	-	-	-	-	-	-
Shares pledged (no. of shares)	-	-	-	148,443,236*	-	-	-	-	-	-	-
	-	-	-	148,443,236*	-	-	-	-	-	-	-

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

* Pledge of 81,148,236 (March 31, 2014: 81,148,236) shares of GVK Energy Limited, 22,495,000 (March 31, 2014: 22,495,000) shares of GVK Transportation Private Limited and 44,800,000 (March 31, 2014: 44,800,000) shares of GVK Airport Developers Limited.

The advances/loans have been provided to meet the normal business needs of the respective entity

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Details of related party transactions during the year:

Particulars	Krishna Enterprises	Seregraha Mines Ltd	GVK Employee welfare trust	Ybrant Engineering and Construction Private Limited	GVK Bio Sciences Private Limited	Bengaluru International Airport Limited	Dr. GVK Reddy	Mrs. Indira Krishna Reddy	Mr. G V Sanjay Reddy	Mr. Krishna Ram Bhupal	Mr. A Issac George
Rent	28	-	-	-	-	-	-	-	-	23	-
	(28)	-	-	-	-	-	-	-	-	(37)	-
Services received (including EPC services)	-	-	-	-	-	-	-	-	-	-	-
Services rendered	-	8	-	-	-	-	-	-	-	-	-
	-	(8)	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-
Advances given	-	-	-	-	-	-	-	-	-	-	-
Advances recovered	-	-	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	-	-	-	8	-	-	-	-
Loans recovered	-	-	-	-	-	-	-	-	-	-	-
Loans taken	-	-	-	6,850	-	-	-	-	-	-	-
	-	-	-	(8,400)	(2,900)	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	(5,385)	(2,900)	-	-	-	-	-	-
Share application money given	-	23	-	-	-	-	-	-	-	-	-
	-	(36)	-	-	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	-	-	-	-
	-	(422)	-	-	-	-	-	-	-	-	-
Corporate guarantee given	-	-	-	-	-	-	-	-	-	-	-
Corporate guarantee released	-	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	313	-	313	308	122
Refund of remuneration by key managerial personnel	-	-	-	-	-	-	(801)	-	(901)	(275)	(38)
Director sitting fee	-	-	-	-	-	-	2	2	2	2	3
	-	-	-	-	-	-	(1)	(2)	(1)	(1)	(3)
Shares pledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding	-	-	-	-	-	-	-	-	-	-	-
Receivables/(Payables) - March 31, 2015	-	24	4,500	(9,865)	-	8	-	-	-	(61)	-
Receivables/(Payables) - March 31, 2014	-	22	4,500	(3,015)	-	-	(212)	-	(212)	(61)	-
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 81,148,236 (March 31, 2014: 81,148,236) shares of GVK Energy Limited, 22,495,000 (March 31, 2014: 22,495,000) shares of GVK Transportation Private Limited and 44,800,000 (March 31, 2014: 44,800,000) shares of GVK Airport Developers Limited.

The advances/loans have been provided to meet the normal business needs of the respective entity

Notes to consolidated financial statements for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

31. 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's secondary segments are the geographic distribution of activities. Revenue is specified by location of customers while the other geographic information is specified by location of the assets.

Segment disclosures

a. Primary segment information (by business segment)

Particulars	Power		Roads		Airports		Others		Eliminations		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
REVENUE												
External revenue	29,040	36,698	29,983	27,195	245,942	218,200	-	-	-	-	304,965	282,093
Inter segment revenue							1,254	1,361	(1,254)	(1,361)	-	-
Total revenue	29,040	36,698	29,983	27,195	245,942	218,200	1,254	1,361			304,965	282,093
RESULT												
Segment result	(9,819)	(14,064)	16,016	17,596	4,543	46,333	(6,883)	974			3,857	50,839
Interest expense [including prior expense of Rs. 290 (March 31, 2014: Rs. Nil)]											139,846	90,467
Interest income											5,485	5,266
Other income (net)											2,734	6,800
Loss before tax, share of profits of associates and minority interest											(127,770)	(27,562)
Income taxes											(10,922)	14,460
Loss after tax and before share of profits of associate and minority interest											(116,848)	(42,022)
Share of profits of associates for the year											3,220	2,764
Loss for the year											(113,628)	(39,258)
Attributable to:												
Equity holders of the parent											(83,468)	(36,868)
Minority interest											(30,160)	(2,390)
Other Information												
Segment assets	1,355,446	1,249,868	208,303	223,603	1,170,902	1,185,675	23,323	31,744	-	-	2,757,974	2,690,890
Unallocable corporate assets											527,329	511,485
Total assets											3,285,303	3,202,375
Segment liabilities	94,276	104,121	31,247	28,078	176,131	175,797	1,149	1,080	-	-	302,803	309,076
Unallocable corporate liabilities											2,788,632	2,615,481
Total liabilities											3,091,435	2,924,557
Capital Employed	1,261,170	1,145,747	177,056	195,525	994,771	1,009,878	22,174	30,664			193,868	277,818
Capital expenditure including capital work in progress *	135,983	151,283	24,553	49,221	117,198	(23,587)	13	17			277,747	176,934
Depreciation (included in segment expense)	14,926	17,054	2,379	1,915	53,179	24,784	71	18			70,555	43,771
Non-cash expenses other than depreciation	-	-	-	-	24,548	-	7,590	-			32,138	-

*Capital expenditure of airport segment is net of development fees of Rs. 2,029 (March 31, 2014: Rs.291,246).

Notes to consolidated financial statements for the year ended March 31, 2014

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

b) Secondary segment information (by geographical segment)

Particulars	India		Overseas		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue	297,144	278,946	7,821	3,147	304,965	282,093
Assets	3,279,846	3,200,158	5,457	2,217	3,285,303	3,202,375

The Company has entire fixed assets situated within India. Hence, separate figures for fixed assets/additions to fixed assets have not been furnished.

32. Derivative Instruments and unhedged foreign currency exposure**Particulars of unhedged foreign currency:**

Particulars	March 31, 2015	March 31, 2014
Payables		
Loans	44,245	45,729
Buyers credit	10,822	11,350
Trade payables and other current liabilities	24,901	22,814
Receivables		
Investments and share application money	33,318	22,202
Guarantee commission	1,568	-

33. 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, 2015	March 31, 2014
Opening balance	4,532	3,399
Additions during the year	3,633	1,133
	8,165	4,532

- 34.** On January 17, 2013 and subsequently from time to time, Securities and Exchange Board of India (SEBI) made amendment to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement, pursuant to which listed entities have been prohibited from framing any employee benefit schemes involving acquisition of own securities from secondary market in excess of 10% of total assets of the scheme. The Company had formed GVK Employee Welfare Trust on July 15, 2009 which currently holds 18,083,890 own equity shares which were acquired from secondary market. SEBI circular requires such Trust to dispose shares within five years from October 28, 2014 or to align the Trust with SEBI (ESOS and ESPS) Guidelines. Management is evaluating options available in the circular and believes that application of this circular will not have any material impact on statement of profit and loss.
- 35.** During the year ended March 2013, GVKEL and GVKIL had provided security by way of pledge of its shares in GVKIL and by creating second pari passu charge as the current and fixed assets respectively with respect to a loan of Rs. 20,000 (March 31, 2014: Rs. 20,000) taken by GVKPIL, in respect of which prior approval of Central Government was required under the provisions of Section 295 of the Companies Act, 1956. GVKEL and GVKIL had applied to the Central Government prior to sanction of such loan; however, the loan was drawn pending approval from Central Government. During the previous year, Central Government had returned the applications and advised the subsidiary companies to take necessary steps to ensure compliance with corresponding section of Companies Act 2013, i.e., Section 185 and also other statutory provisions of the Companies Act, 2013. GVK Power & Infrastructure has subsequent to balance sheet date repaid loan on April 27, 2015 and pledge has been released.
- 36.** The subsidiary companies GVK Industries Limited (GVKIL) and GVK Gautami Power Limited (GVKGPL) (collectively 'subsidiary companies') had commenced construction of phase III and phase II power plants respectively on which they have incurred aggregated cost of Rs. 15,655 (March 31, 2014: Rs. 15,655). Due to lower supply/availability of gas, the subsidiary companies

Notes to consolidated financial statements for the year ended March 31, 2014

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

have temporarily suspended the construction activities and intend to resume construction once natural gas is available which Management expects to happen in foreseeable future. Further, phase II of GVKIL and Phase I of GVKGPL having fixed assets with Written Down Value of Rs. 196,252 (March 31, 2014: Rs. 209,670) has during the current financial year achieved Nil PLF (March 31, 2014: Nil) and Nil PLF (March 31, 2014: Nil) respectively. Also, GVKIL and GVKGPL have incurred losses of Rs. 6,916 (March 31, 2014: Rs. 7,888) and Rs. 20,474 (March 31, 2014: Rs. 21,103) respectively. However, GVKIL is in the process of tying up of additional loans and GVKGPL has already obtained moratorium for payments. Further, the Company and Association of Power Producers are closely monitoring the situation and evaluating various approaches to deal with the situation and Management of the Company is confident that Government of India will take necessary steps/initiatives to improve the situation of natural gas. Further, Management based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions believes the subsidiary companies will continue to be in operation in foreseeable future despite continued losses. The management accordingly believes that fixed assets with carrying value of Rs. 211,907 are recoverable in normal course of business.

37. During the year previous year, Termination Notice was served by GVK Oil & Gas Limited, a subsidiary involved in oil & gas activity on Ministry of Petroleum and Natural Gas (Ministry) for termination of Production Sharing Contract. The subsidiary had alleged that it has not been able to effectively carry out exploration operations in the Blocks allotted to it due to Ministry of Defence clearance issues. The Management believes that Ministry will reimburse subsidiary for costs incurred by it and accordingly no adjustment is required to carrying value of assets aggregating to Rs. 10,725 (net of written off Rs. 7,590) (March 31, 2014: Rs. 17,745) and guarantee aggregating to Rs. Nil (March 31, 2014: Rs. 813) issued by the Company for subsidiary.
38. The Company had applied to Central government on May 13, 2013 for waiver of excess managerial remuneration amounting to Rs. 21 for the year ended March 31, 2013 paid to a director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. The Company believes approval will be obtained in due course and would not have any material impact upon the financial statements.
39. The Company has made investments aggregating to Rs. 33,318 (March 31, 2014: Rs. 22,202) by way of advances, subscription of shares and share application money and provided guarantees and commitments aggregating to Rs. 653,448 to lenders of GVK Coal Singapore Pte Limited (GVK Coal), an entity in which Company owns 10%. GVK Coal has borrowed Rs. 653,448 (March 31, 2014: Rs. 600,998) as at March 31, 2015 from its lender against the aforesaid guarantees and commitments. GVK Coal is currently under development phase and is making losses and its current liabilities exceed current assets by USD 885 million (Rs. 553,929) based on unaudited financial statements for the year ended June 30, 2014. In addition to aforesaid commitments, the Company has also given assurance for financial assistance, if required. The prices of the coal have significantly fallen since GVK coal had acquired stake in the coal mines. GVK coal is also in discussion with non- controlling shareholders to realign the option exercise dates and additional funding from potential investors.

Management believes that GVK Coal would be able to establish profitable operations, meet its obligations and it's current liabilities being in excess of current assets is temporary situation and will not impact ability of the company to continue in operation in foreseeable future and accordingly will not have any material adverse impact upon operations and cash flows of the Company.

40. The Associate Company ("BIAL") has opted to claim deduction under Section 80-IA of the Income Tax Act, 1961 ("IT Act") on the entire income effective year ended March 31, 2013, and had also claimed Minimum alternate tax ("MAT") credit under Section 115JAA of the IT Act aggregating Rs 9,067 up to March 31, 2013. The MAT credit asset aggregating Rs 9,067 as at March 31, 2013, was based on the projected future profits of the associate company from the real estate and other businesses which may not be eligible for a deduction under Section 80-IA of the IT Act; which is supported by the Land lease agreement, which gives the associate company the right to use the land parcel for various Non-Airport activities for a period of 30 years from the airport opening date (i.e. 23 May 2008), which the associate company is committed to undertake. The Management believed that there will be sufficient future taxable profits to utilise the aforementioned MAT credit entitlement

Notes to consolidated financial statements for the year ended March 31, 2014

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

within the stipulated period prescribed as per the provisions of the IT Act. As per the provisions of the IT Act, the associate company can avail and set off these MAT credits against normal tax within a stipulated period of ten years from the year of availment. Further, as per the prescribed accounting regulations, MAT can be recognised only if there is convincing evidence that the associate company would be in a position to set off the carried forward MAT in future years. As at March 31, 2014, in the absence of convincing evidence of profits emanating from the non-eligible 80-IA businesses, the Management decided to write down the MAT credit entitlement aggregating Rs 7,106 which was availed up to March 31, 2012 as the same was to be utilised within the tax holiday period or else it would have lapsed. The Management believes that the associate company would generate sufficient profits which will be subject to normal tax in the post-tax holiday period (effective 1 April 2022) and has retained the MAT credit recognised from the financial year ended March 31, 2013 aggregating Rs 9,318 (including Rs. 4,156 availed for the current year). The amounts reported in this paragraph are full amounts as appearing in the financial statements of the associate company.

- 41.** The associate company, in the previous year, accounted for depreciation as per its accounting policy which was in accordance with the requirements of Schedule XIV of the Companies Act, 1956. The associate company computed and accounted for deferred tax amounting to Rs. 2,150 as at March 31, 2014, after considering reversal of temporary timing differences during the tax holiday period up to financial year 2021-22, based on the revised useful lives of fixed assets, as approved by the Board of Directors vide a circular resolution dated April 22, 2014. The revised useful lives of fixed assets was effective from April 01, 2014 and was in accordance with Part C of Schedule II of the Companies Act, 2013 ("the Act"). The Airports Economic Regulatory Authority ('AERA') of India's Order No 08 / 2014-15 dated June 10, 2014 which is specific to the associate company, mentioned that they have initiated the process to issue a notification on the useful lives for airport specific assets as per Part B of Schedule II of the Act. Accordingly, the associate company continues to follow the useful lives of fixed assets in line with the earlier financial years based on Management's assessment. The circular resolution which approved the revised useful lives which were in line with the useful lives of fixed assets as per Part C of Schedule II of the Act as mentioned above was cancelled during the Board of Directors meeting held on August 04, 2014. Pending notification of such useful lives of fixed assets by AERA, the associate company would continue to follow the useful lives of fixed assets as per the exiting accounting policy and as at March 31, 2015 has also accounted for the deferred tax based on the current useful lives of fixed assets amounting to Rs 15,870 after considering reversal of temporary timing differences during the tax holiday period up to financial year 2021-22. The Management would change the useful lives of the fixed assets and record adjustments related to depreciation, book value of fixed assets and the consequential impact on taxes including deferred tax computation arising out of temporary timing differences on account of depreciation post notification of useful lives by AERA as per Part B of Schedule II of the Act as aforesaid. The associate company has furnished the required disclosure as part of the accounting policy that the useful lives of fixed assets followed by the associate company are different from the useful lives of fixed assets prescribed in Part C of Schedule II of the Act. The amounts reported in this paragraph are full amounts as appearing in the financial statements of the associate company.
- 42.** The Honourable Supreme Court vide its decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and has cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honourable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ petition before the Hon'ble High Court of Delhi impugning the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block as Rs. 11,129 against the carrying value of assets of Rs. 35,575. The Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision is required to be made to carrying value of assets.
- 43.** As at March 31, 2014 the subsidiary company, GVKADL had received share application money amounting to Rs. 140,780 for allotment of preference shares. Of the aforesaid amount, the subsidiary company has made allotment of 940,800 preference shares of Rs. 10,000 each in the current period aggregating to Rs. 94,080 and has refunded share application money of Rs.

39,839 and is in the process of refunding the balance share application money. As the subsidiary company is in the process of refunding the balance share application money, it has not taken steps to increase the authorized preference share capital and has also disclosed the same under other current liabilities. Share application money does not carry any interest.

- 44.** GVK Goindwal (Sahib) Limited, subsidiary company is presently constructing 540 MW power project which was dependent upon GVK coal mine for fuel. In the wake of cancellation of coal mine as referred in note 42, Management has obtained coal linkage for six months, taken opinion for running plant on imported coal, tied up for importing coal and is mulling other options such as, obtaining coal linkage locally and has filed petition with Punjab State Electricity Regulatory Commission for re- negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Management based on legal advise believes that cancellation of coal mine will not impact the operations of the upcoming power project and accordingly believes that fixed assets of GVK Power (Goindwal Sahib) aggregating to Rs. 388,986 are recoverable in the normal course of the business.

45. Summary of net assets and profit and loss:

	Power	Net Assets*				Share in loss			
		Name of the entity	As % of consolidated net assets	Net Assets	As % of consolidated net assets	Net Assets	As % of consolidated loss	Net loss	As % of consolidated loss
A.	Parent	-21.00%	(40,714)	-9.82%	(27,294)	-9.74%	(8,132)	-13.42%	(4,947)
B.	Subsidiaries incorporated in India								
	GVK Energy Limited	-19.74%	(38,260)	-2.96%	(8,210)	-7.17%	(5,982)	-3.47%	(1,278)
	GVK Gautami Power Limited	12.77%	24,765	16.64%	46,240	-22.86%	(19,079)	-55.00%	(20,276)
	GVK Industries Ltd	20.29%	39,328	16.66%	46,280	-5.77%	(4,813)	-15.82%	(5,831)
	Alaknanda Hydro Power Company Ltd	56.05%	108,668	33.83%	93,983	-0.14%	(119)	-0.24%	(88)
	GVK Power (Goindwal Sahib) Ltd	55.52%	107,637	33.21%	92,261	-0.69%	(578)	-0.22%	(82)
	GVK Coal (Tokisud) Company Pvt Ltd	5.24%	10,149	3.30%	9,180	0.00%	-	0.00%	-
	GVK Power Khadir Sahib Private Limited	0.01%	24	0.01%	24	0.00%	-	0.00%	-
	Goriganga Hydro Power Private Limited	2.50%	4,845	1.74%	4,836	0.00%	-	0.00%	-
	GVK Ratle Hydroelectric Project Pvt Ltd	23.28%	45,140	16.25%	45,141	0.00%	(1)	-0.56%	(205)
	GVK Transportation Pvt Ltd	-38.70%	(75,026)	-26.98%	(74,942)	-9.43%	(7,874)	-23.50%	(8,665)
	GVK Jaipur Expressway Private Limited	-13.59%	(26,347)	-11.24%	(31,222)	5.82%	4,861	14.82%	5,463
	GVK Deoli Kota Expressway Pvt Ltd	11.07%	21,459	5.09%	14,142	0.00%	-	0.00%	-
	GVK Bagodara Vasad Expressway Pvt Ltd	7.08%	13,717	4.05%	11,249	0.00%	-	0.00%	-
	Shivpuri - Dewas Expressway Pvt Ltd	4.60%	8,920	17.46%	48,506	0.00%	-	0.00%	-
	GVK Airport Developers Limited	-129.26%	(250,592)	-70.42%	(195,647)	-48.39%	(40,387)	-78.56%	(28,964)
	GVK Airport Holdings Pvt Ltd	0.10%	197	0.07%	197	-0.12%	(97)	-0.01%	(2)
	Bangalore Airport & Infrastructure Developers Pvt Ltd	0.00%	1	0.00%	1	0.00%	-	-0.01%	(3)
	Mumbai International Airport Private Limited**	153.05%	296,711	118.79%	330,017	-38.09%	(31,790)	60.65%	22,362
	GVK Oil & Gas Limited	5.10%	9,883	6.31%	17,536	-9.18%	(7,659)	-0.53%	(197)
	GVK Perumbalur SEZ Private Limited	6.04%	11,719	4.21%	11,710	0.00%	-	0.00%	-
	GVK Developmental Projects Pvt Limited	-27.54%	(53,389)	-17.52%	(48,668)	-2.40%	(2,001)	-3.26%	(1,202)
	GVK Energy Ventures Pvt Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
C.	Subsidiaries incorporated outside India								
	PT.GVK Services, Indonesia.	2.40%	4,650	0.64%	1,774	8.16%	6,809	5.25%	1,934
	GVK Airports International Pte Ltd.	0.00%	9	0.00%	6	-0.01%	(6)	-0.11%	(41)
D.	Minority interests in all subsidiaries	-118.88%	(230,461)	-110.62%	(307,321)	36.13%	30,160	6.48%	2,390
E.	Associates incorporated in India (Investment as per equity method)	103.59%	200,835	71.28%	198,039	3.86%	3,220	7.50%	2,764
		100.00%	193,868	100.00%	277,818	100.00%	(83,468)	100.00%	(36,868)

* Net assets means total assets minus total liabilities excluding shareholders funds

** Includes net assets and losses of its subsidiaries and joint venture.

46. Previous year figures have been regrouped/re-arranged wherever necessary to conform to current year classification

As per our report of even date

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

per **Vikas Kumar Pansari**
Partner

Membership No. 093649

Place: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman and Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

Independent Auditor's Report

To

The Members of GVK Power & Infrastructure Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of GVK Power & Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

- i. As discussed more fully in Note 35 of the accompanying financial statements, termination notice has been served by a subsidiary involved in oil & gas activity on Ministry of Petroleum and Natural Gas (Ministry) for termination of productions sharing contract. The Management believes that Ministry will reimburse the said subsidiary for costs incurred by it and accordingly no adjustment is required to carrying value of investments and advances aggregating to Rs. 10,161 lakhs. However, in the absence of sufficient appropriate evidence in this regard, we are unable to comment upon recoverability of such advances and investment together with consequential impact, if any, arising out of the same in these Company's financial statements. Our audit report for previous year was also qualified in respect of this matter.
- ii. As discussed more fully in Note 36 to the accompanying financial statements, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company and Nominated Authority has

offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 35,575 lakhs in books of subsidiary. In the absence of appropriate evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying financial statements.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, of its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- i. We draw attention to note 33 to the financial statements regarding application made by company for the waiver of excess managerial remuneration for the year's ended March 31, 2013 amounting to Rs. 21 lakhs paid to a director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956.
- ii. We draw attention to note 32 of financial statements, regarding GVK Coal Singapore Pte. Limited whose net liabilities exceeds net assets by USD 885 million (Rs. 553,929 lakhs) as at June 30, 2014 and in which the Company has made investments of Rs. 33,318 lakhs and provided guarantees and commitments for loans of Rs. 653,448 lakhs borrowed by GVK Coal Singapore Pte. Limited as at March 31, 2015.
- iii. As discussed more fully in Note 34 of the accompanying financial statements, material uncertainties are being faced by subsidiaries of GVK Energy Limited, one of the subsidiaries of the Company, in which the Company has an investment of Rs. 108,323 lakhs as detailed below:
 - a. Uncertainty towards supplies/availability of natural gas to gas based power generating plants and power projects under construction of subsidiary companies of subsidiary company, GVK Energy Limited.
 - b. Uncertainty towards availability of fuel and regulatory approvals faced by coal plant under construction of subsidiary company of GVK Energy Limited.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, notification, legal interpretations and resolution of uncertainty around availability of gas, coal and coal prices, as referred to in the relevant notes to the financial statements referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the financial statements. Our opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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;
 - (c) 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;
 - (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matters described in Basis of qualified opinion paragraph, paragraph ii and iii of Emphasis of Matter paragraph and paragraph ix to statement on the matters specified in paragraphs 3 and 4 of the Order above, in our opinion, may

have an adverse effect on the functioning of the Company.

- (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 25 to the financial statements.
 - ii) The Company did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

per **Vikas Kumar Pansari**

Partner

Membership No.: 093649

Place: Hyderabad

Date : May 16, 2015

Annexure referred to in our report of even date

Re: GVK Power & Infrastructure Limited ('the Company')

- (i) 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.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under Clause 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations 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 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (b) of the Order 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 sales of services and purchase of fixed assets. The activities of the Company did not involve any purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material 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 in (Rs. Lakhs)	Period to which the amount includes	Forum where dispute is pending
The Finance Act, 1994	Service Tax	707	July 1, 2003 to March 31, 2012	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 08-09	Income tax Appellate Tribunal
Income Tax Act, 1961	Income tax liability	10	Assessment Year 09-10	Commissioner of Income tax (Appeals) -Visakhapatnam
Income Tax Act, 1961	Income tax liability	279*	Assessment year 10-11	Income tax Appellate Tribunal, Visakhapatnam
Income Tax Act, 1961	Income tax liability	11*	Assessment year 11-12	Commissioner of Income tax (Appeals) -Visakhapatnam
Income Tax Act, 1961	Income tax liability	44	Assessment year 12-13	Commissioner of Income tax (Appeals) -Visakhapatnam

*Paid under protest/refund adjusted.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) Without considering the consequential effects, if any of the matter stated in Basis of Qualified Opinion paragraph of our

auditors' report, the Company has no accumulated losses at the end of the financial year. The company has incurred cash loss during the current and preceding financial year.

- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has delayed in repayment of dues to banks during the year, the details of which are mentioned below. The Company did not have any outstanding dues in respect of a debentures holders or financial institutions during the year.

Nature of dues	Period	Amount Due in Rs. lakhs	Delay in days
Interest on loans from banks	Apr-14 to Jul-14, Nov-14 to Mar-15	2,463	2 to 5 days
Interest on loans from banks	Aug-14,Jan- 15,Feb-15	662	6 to 15 days
Interest on loans from banks	Aug-14 to Oct-14, Jan-15 to Feb-15	1,363	30 to 60 days
Principal due on loans from banks	Due on 2-Dec-14	3,333	119 days
Principal due on loans from banks	Due on 2-Mar-15	3,333	Unpaid as at 31-Mar-15*

* Subsequently paid on April 27, 2015.

- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) 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 LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W

per **Vikas Kumar Pansari**
Partner
Membership No.: 093649

Place: Hyderabad
Date : May 16, 2015

Balance Sheet as at March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Equity and liabilities			
Shareholders' Funds			
Share capital	3	15,792	15,792
Reserves and surplus	4	219,070	232,053
		234,862	247,845
Non-current liabilities			
Long-term borrowings	5	-	28,319
Deferred tax liability (net)	11	-	7
		-	28,326
Current liabilities			
Short-term borrowings	7	46,270	18,050
Trade payables	8	236	243
Other current liabilities	8	32,228	7,236
Short-term provisions	6	321	211
		79,055	25,740
		313,917	301,911
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	9	79	109
Non-current investments	10	148,046	140,106
Deferred tax assets (net)	11	1	-
Long-term loans and advances	12	21,926	46,465
Other non-current assets	14.2	58,300	53,206
		228,352	239,886
Current assets			
Current investments	13	30	514
Trade receivables	14.1	375	370
Cash and bank balance	15	891	1,661
Short-term loans and advances	12	82,542	59,430
Other current assets	14.2	1,727	50
		85,565	62,025
		313,917	301,911
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per **Vikas Kumar Pansari**
Partner
Membership No. 093649

Place of Signature: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

Statement of profit and loss for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Income			
Revenue from operations	16	2,628	2,676
Other income	17	1,804	3,243
Total revenue		4,432	5,919
Expenses			
Employee benefits expense	18	299	97
Operating and other expenses	19	8,212	572
Depreciation expense	20	30	18
Financial costs	21	7,685	5,799
Total expense		16,226	6,486
(Loss) before tax		(11,794)	(567)
Tax expenses			
Current tax		1,197	1,755
Tax of earlier year		-	-
Deferred tax		(8)	21
Total tax expense		1,189	1,776
(Loss) for the year		(12,983)	(2,343)
Earnings per share (in Rs.)			
-Basic		(0.82)	(0.15)
-Diluted		(0.82)	(0.15)
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 LLP**
ICAI Firm Registration No : 101049W
Chartered Accountants

per **Vikas Kumar Pansari**
Partner
Membership No. 093649

Place of Signature: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

Cash flow statement for the year ended March 31, 2015

(Amounts expressed in Indian Rupees Lakhs unless otherwise stated)

Particulars		March 31, 2015	March 31, 2014
A. Cash flow from operating activities			
Loss before tax		(11,794)	(567)
Adjustment to reconcile loss before tax to net cash flows			
Depreciation expense		30	18
Advances written off		7,590	-
Profit on sale of investments		(44)	(65)
Interest income		(31)	(15)
Liabilities written back		-	(45)
Unrealised foreign exchange gain		(61)	-
Interest expense		7,674	5,787
Operating profit before working capital changes		3,365	5,113
Movements in working capital:			
Increase/(decrease) in trade payables, current liabilities and provisions		(5)	36
Increase in trade receivables		(5)	(71)
Increase/(decrease) in loans and advances		(8)	(5)
Increase/(decrease) in other current and non-current assets		(1,612)	2,084
Cash generated from operations		1,735	7,157
Direct taxes paid (net of refunds)		(1,194)	(1,118)
Net cash generated from operating activities	A	541	6,039
B. Cash flows from investing activities			
Purchase of fixed assets		-	(1)
Advances to subsidiaries/related party		(53,286)	(41,897)
Refund of advance from subsidiaries/related party		47,228	52,409
Investments in subsidiaries including share application money/ related party		(19,208)	(32,522)
Refund of share applicaion money from subsidiaries/related party		173	10,348
Proceeds from sale of non current investments		6,005	-
Redemption of bank deposits		-	675
Purchase of current investments		(1,270)	(3,619)
Proceeds from sale of current investments		1,798	3,554
Interest received		31	33
Net cash from/ (used in) investing activities	B	(18,529)	(11,020)

Cash Flow statement for the year ended March 31, 2015

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

Particulars		March 31, 2015	March 31, 2014
C. Cash flows from financing activities			
Proceeds from short term borrowings (net)		28,220	10,700
Repayment of long term borrowings		(3,351)	(44)
Interest paid		(7,651)	(5,678)
Net cash from/ (used in) financing activities	C	17,218	4,978
Net decrease in cash and cash equivalents	(A+B+C)	(770)	(3)
Cash and cash equivalents at the beginning of the year		1,661	1,664
Cash and cash equivalents at the end of the year		891	1,661
Components of cash and cash equivalents as at			
Balance with scheduled banks on current accounts		891	1,661
	Note 15	891	1,661
Summary of significant accounting policies	2.1		

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

As per our report of even date

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

per **Vikas Kumar Pansari**
Partner
Membership No. 093649

Place of Signature: Hyderabad
Date: May 16, 2015

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

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary

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

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

1. Corporate information

GVK Power & Infrastructure Limited ('the Company' or 'GVKPIL') provides operation 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 companies, 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 section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Use of estimates

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

(b) 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.

(c) Depreciation on tangible fixed assets

Till the year ended March 31 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets which are equal to useful lives and residual values specified in Schedule II. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets. This re-estimation of useful lives and residual value did not have any material impact on the financial statement of the Company for the current year.

(d) 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 recognised in the statement of profit and loss.

(e) Borrowing costs

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

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

(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.

(f) Investments

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

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

(g) Revenue recognition

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

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

Interest

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

Dividends

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

Guarantee commission

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

(h) Foreign currency transaction and balances

Initial recognition

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

Conversion

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

Exchange differences

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

(i) Retirement and other employee benefits

(i) Retirement benefit in the form of Provident Fund is a defined contribution scheme. The company has no

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

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

obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

- (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.

(j) 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 recognised 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 realised.

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.

(k) 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.

(l) 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 recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(m) Provisions

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

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

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

(n) 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.

(o) Contingent liability

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

3. Share capital

	March 31, 2015	March 31, 2014
Authorized shares		
2,500,000,000 (March 31, 2014: 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, 2014: 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, 2015		March 31, 2014	
	No.	Rs.	No.	Rs.
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
	1,579,210,400	15,792	1,579,210,400	15,792

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, 2015		March 31, 2014	
	No	% holding	No	% holding
G. Indira Krishna Reddy	230,340,730	14.59	230,340,730	14.59
G V Sanjay Reddy	154,334,480	9.77	154,334,480	9.77
Vertex Infratech Private Limited	140,632,430	8.91	140,632,430	8.91
Krishnaram Bhupal	118,155,990	7.48	118,155,990	7.48
HSBC Global Investment Funds	110,428,344	6.99	113,356,052	7.18

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

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

4. Reserves and surplus

	March 31, 2015	March 31, 2014
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	15,991	18,334
(Loss) for the year	(12,983)	(2,343)
Net surplus in the statement of profit and loss	3,008	15,991
Total reserves and surplus	2,19,070	232,053

5. Long-term borrowings

	Non-current portion		Current maturities	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Term loans				
Indian rupee loan from banks (secured)	-	28,319	31,635	6,667
	-	28,319	31,635	6,667
The above amount includes				
Secured borrowings	-	28,319	31,635	6,667
Amount disclosed under the head "other current liabilities" (note 8)	-	-	(31 35)	(6,667)
Net amount	-	28,319	-	-

- a. Term loan aggregating to Rs. 16,667 is secured by first pari-passu charge on the current assets, present and future of the Company, second pari-passu charge on the current assets and fixed assets of GVK Industries Limited and pledge of 10% shares of GVK Industries Limited and presently carries interest of 13.15% per annum. The loan is repayable in six equal quarterly installments after a moratorium of eighteen months from the date of first drawdown viz. March 8, 2013.
- b. Term loan aggregating to Rs. 14,968 is secured by mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and presently carries interest of 13.25% per annum. The loan is repayable after a period of 35 months from the date of first drawdown viz. September 27, 2012.

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

Particulars	March 31, 2015		March 31, 2014	
	Amount	Period of delay*	Amount	Period of delay
Principal due on term loans	3,333	Upto 29 days	-	-

*Paid subsequently on April 27, 2015

6. Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Provision for leave benefits	-	-	17	13
	-	-	17	13
Other provisions				
Provision for income tax (net)	-	-	304	198
	-	-	304	198
	-	-	321	211

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

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

7. Short-term borrowings

	March 31, 2015	March 31, 2014
Other loans and advances- term loans from banks (secured)	42,880	18,050
18% Inter-corporate deposit (unsecured)	3,390	-
	46,270	18,050
The above amount includes		
Secured borrowings	42,880	18,050
Unsecured borrowings	3,390	-

Term loan aggregating to Rs. 42,880 currently carries interest of 11.50% per annum and secured by (i) charge on loans and advances of the Company to GVK Airport Developers Limited ("GVKADL") and also loans and advances provided by GVKADL to GVK Airport Holdings Private Limited ("GVKAHPL") and Bangalore Airport & Infrastructure Developer Private Limited ("BAIDPL"); (ii) exclusive charge on shares of GVKADL 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 would be in proportion to the lenders at GVKADL; (iv) first pari passu charge on Himayatsagar and Paigah House property, Hyderabad; (v) second pari passu charge on land of 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited; (vi) proportionate proceeds of liquidity event at GVKADL, GVK AHPL and BAIDPL and (vii) charge on shares of GVKADL, GVK AHPL and BAIDPL along with HDFC and SREI or any other future lender representing at least 61% of the paid up share capital of the Company.

8. Trade payable and other current liabilities

	March 31, 2015	March 31, 2014
Trade payables (note 27)	236	243
Other current liabilities		
Current maturities of long-term borrowings (note 5)	31,635	6,667
Interest accrued but not due on borrowings	557	533
Others	36	36
	32,228	7,236

9. Tangible assets (at cost)

	Furniture & fittings	Office equipment	Vehicles	Data processing equipment	Total
As at April 1, 2013	10	8	137	26	181
Additions	-	-	-	1	1
Disposals	-	-	-	-	-
As at March 31, 2014	10	8	137	27	182
Additions	-	-	-	-	-
As at March 31, 2015	10	8	137	27	182
Depreciation					
Upto April 1, 2013	7	1	35	12	55
Charge for the year	1	0	13	4	18
Upto March 31, 2014	8	1	48	16	73
Charge for the year	1	5	14	10	30
Upto March 31, 2015	9	6	62	26	103
Net Block					
As at March 31, 2015	1	2	75	1	79
As at March 31, 2014	2	7	89	11	109

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

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

10. Non-current investments

	March 31, 2015	March 31, 2014
Trade investments (at cost)		
Unquoted equity instruments		
Investment in subsidiaries		
300,000,000 (March 31, 2014: 280,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	30,000	28,000
250,000,000 (March 31, 2014: 250,000,000) equity shares of Rs.10 each fully paid-up in GVK Energy Limited (note 34)	25,000	25,000
37,700,000 (March 31, 2014: 37,500,000) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	3,770	3,750
10,000 (March 31, 2014: 10,000) equity shares of Rs.10 each fully paid-up in Goriganga Hydro Power Private Limited	1	1
10,000 (March 31, 2014: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1
50,000 (March 31, 2014: 50,000) equity shares of Rs.10 each fully paid-up in GVK Oil & Gas Limited (note 35)	5	5
10,000 (March 31, 2014: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	1	1
	64,699	56,758
Investment in equity instruments		
50,000 (March 31, 2014: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers Singapore PTE Limited (note 32)	25	25
	25	25
	64,724	56,783
Debentures (unquoted)		
83,322,610 (March 31, 2014: 83,322,610) 0.001% Compulsory Convertible Debentures of Rs.100 each fully paid up in GVK Energy Limited (note 34)	83,323	83,323
	83,323	83,323
	148,047	140,106
Aggregate amount of unquoted investments	148,047	140,106

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

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

11. Deferred tax asset / liability (net)

	March 31, 2015	March 31, 2014
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	5	9
Gross deferred tax liability	5	9
Deferred tax asset		
Provision for retirement benefits	6	2
Gross deferred tax asset	6	2
Net deferred tax asset /(liability)	1	(7)

12. Loans and advances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Loan and advances to related parties (note 23, 24 and 35)				
Unsecured, considered good	21,642	46,297	80,518	57,400
Deposits				
Unsecured, considered good	19	6	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	6	9
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	265	162	-	-
Prepaid expenses	-	-	18	21
MAT credit entitlement	-	-	-	-
GVK employee welfare trust (note 31)	2,000	2,000	-	-
	23,926	48,465	80,542	57,430

13. Current investments

	March 31, 2015	March 31, 2014
Current investments (valued at lower of cost and fair value)		
Quoted mutual funds- other than trade		
209,686 (March 31, 2014: 209,686) units of Rs. 10 each fully paid-up of LIC Nomura MF Interval Fund – Growth plan	30	30
Nil (March 31, 2014: 28,104) units of Rs.1,000 each fully paid-up of Reliance Money Manager Fund – Growth plan	-	484
	30	514
Aggregate market value of quoted investments	37	527

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

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

14. Trade receivables and other assets**a) Trade receivables**

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Outstanding for a period not exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	375	370
	-	-	375	370

Trade receivables include dues from related party:

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
GVK Gautami Power Limited	-	-	353	152
Mumbai International Airport Private Limited	-	-	22	218

b) Other assets

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good				
Unbilled revenues	33	30	2	2
Share application money to subsidiaries /others	38,290	27,195	-	-
Receivable for sale of investment	19,976	25,981	-	-
Interest accrued	-	-	3	3
Other receivables	-	-	1,714	24
Unamortised portion of ancillary cost of arranging the borrowings	-	-	4	14
Retirement benefits (Note 22)	-	-	4	7
	58,299	53,206	1,727	50

15. Cash and bank balances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	891	1,661
	-	-	891	1,661

16. Revenue from operations

	March 31, 2015	March 31, 2014
Revenue from operations		
Sale of services		
- Operation and maintenance services	1,374	1,315
- Manpower and consultancy services	1,254	1,361
	2,628	2,676

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

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

17. Other income

	March 31, 2015	March 31, 2014
Profit on sale of investments		
Current investments	44	65
Liabilities written back	-	45
Guarantee commission	1,668	3,055
Foreign exchange gain (net)	61	63
Interest on		
- Bank Deposits	24	12
- Others	7	3
	1,804	3,243

18. Employee benefit expense

	March 31, 2015	March 31, 2014
Salaries, wages and bonus (Note 33)	253	64
Contribution to provident fund	14	21
Retirement and other employee benefit expense	13	-
Staff welfare expenses	19	12
	299	97

19. Operating and other expenses

	March 31, 2015	March 31, 2014
Rent	11	11
Communication costs	63	42
Travelling and conveyance	70	71
Operating and maintenance expenses	93	96
Repairs and maintenance – others	13	14
Legal and professional fees	45	13
Rates and taxes	81	75
Printing and stationery	35	37
Insurance	13	21
Payment to auditor (note below)	25	18
Directors' sitting fees	9	11
Expenses for manpower services	145	139
Advances written off	7,590	-
Miscellaneous Expenses	18	24
	8,212	572

Payment to auditor (including service tax)

	March 31, 2015	March 31, 2014
As auditor:		
Audit fee	13	12
Limited Review	5	5
In other Capacity:		
Other services	6	0
Reimbursement of expenses	1	1
	25	18

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

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

20. Depreciation expense

	March 31, 2015	March 31, 2014
Depreciation of tangible assets	30	18
	30	18

21. Finance costs

	March 31, 2015	March 31, 2014
Interest	7,674	5,787
Amortization of ancillary borrowing costs	10	10
Bank charges	1	2
	7,685	5,799

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 funded.

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

(A) Statement of profit and loss**Net employee benefit expense recognised in the employee cost**

	March 31, 2015	March 31, 2014
Current service cost	3	5
Interest cost on benefit obligation	2	4
Expected return on plan assets	(2)	(1)
Net actuarial(gain) / loss recognised in the year	(1)	(38)
Net benefit expense/(credit)	4	(30)

(B) Balance sheet

	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	24	18
Fair value of plan assets	28	25
Net liability	(4)	(7)

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

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	18	51
Current service cost	3	5
Interest cost	2	4
Benefits paid	(1)	(4)
Actuarial (gains)/losses on obligation	2	(38)
Closing defined benefit obligation	24	18

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

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

(D) Changes in the fair value of plan assets are as follows:

	March 31, 2015	March 31, 2014
Opening fair value of plan assets	25	14
Expected return	2	1
Contributions by employer	-	14
Benefits paid	-	(4)
Actuarial gains / (losses)	1	(0)
	28	25

The company expects to contribute Rs. 1 to gratuity in the next year (March 31, 2014: Rs. 1).

(E) The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

	March 31, 2015	March 31, 2014
Discount rate	7.80% p.a.	9.25% p.a.
Expected rate of return on assets	7% p.a.	7% p.a.
Employee turnover	7%	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.

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

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Gratuity					
Defined benefit obligation	24	18	51	66	29
Plan assets	(28)	(25)	(14)	-	-
Surplus/(deficit)	(4)	(7)	37	66	79
Experience adjustments on plan liabilities	(1)	(36)	(4)	(30)	-
Experience adjustments on plan assets	(1)	(0)	0	-	-
Actuarial Gain/(Loss) due to change of assumptions	(3)	2	1	(1)	-

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

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

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 Limited (GVKADL)
 GVK Coal (Tokisud) Company Private Limited
 Goriganga Hydro Power Private Limited
 GVK Power (Goindwal Sahib) Limited
 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 (GVKAHPL)
 PT.GVK Services, Indonesia.
 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 (BAIADPL)
 Mumbai International Airport Private Limited
 GVK Power (Khadur Sahib) Private Limited
 GVK Airports International Pte Ltd
 GVK Airport Services Private Limited
 GVK Shivpuri Dewas Expressway Private Limited
 Bangalore International Airport Limited
 Seregraha Mines Limited

b) Associates

(c) Key management personnel

Dr. GVK Reddy - Chairman and 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 Foundation
 GVK Projects and Technical Services Limited
 GVK Employee Welfare Trust
 GVK Coal Developers (Singapore) Pte Ltd

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

(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	GVK Bagodara Vasad Expressway Private Limited	Al-akananda Hydro Power Company Limited	Goriganga Hydro Power Private Limited	GVK Power (Goindwal Sahib) Limited	GVK Airport Developers Limited	GVK Ratle Hydro Electric Project Private Limited	GVK Transportation 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 (including service tax)	- (53)	959 (920)	1,409 (1,420)	-	-	-	-	-	-	-	-	-	-	38 (52)
Reimbursement of expenses (Billable expenses)	-	416 (451)	-	-	-	-	-	-	-	-	-	-	-	-
Services received	15 (80)	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	-	7,920	-	20	-	-	-
Loans/advances given/expenditure incurred on behalf	1,171 -	- -	- (22)	2 (1)	2 (1)	21 (2)	8 (8)	425 (1,326)	40,943 (17,599)	0 (10)	10,411 (22,973)	0 (0)	-	9 (18)
Loans/advances recovered	1,036 -	- -	- (22)	-	-	24 -	-	410 (1,325)	16,504 (23,099)	- (4,268)	27,500 (14,265)	-	-	-
Share application money given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	9,459 (5,460)	-	-	-	-	-
Guarantees released	- (541)	- (1,305)	-	13,040	-	300 (1,300)	-	-	-	- (10,037)	10,709	-	1,693	- (1,245)
Investments pledged (no. of shares)	-	-	-	-	-	-	-	-	12,200,000	-	-	-	-	-
Investments unpledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of remuneration from key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding														
Receivables/ (Payables) - March 31, 2015	135 (44)	388 184	22 218	3 1	3 1	(2) 2	4,767 4,759	19 3	76,242 51,802	1 0	19,976 43,090	0 0	16 22	11,718 11,709
Corporate Guarantee	-	-	-	93,209 (106,249)	-	(300)	- (4,050)	4,050 (4,050)	49,444 (39,985)	-	45,066 (55,775)	-	3,941 (5,634)	-
Pledge of Investment (no. of shares)	-	-	-	-	-	-	-	-	183,000,000 (170,800,000)	-	-	-	-	-

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

b) Refer note 26 for equity commitments.

c) * Pledge of 81,148,236 (March 31, 2014: 81,148,236) shares of GVK Energy Limited, 22,495,000 (March 31, 2014: 22,495,000) shares of GVK Transportation Private Limited and 44,800,000 (March 31, 2014: 44,800,000) shares of GVK Airport Developers Limited.

d) Refer note 5 (a) (b) and 7 for security provided by subsidiaries for loans availed by the Company.

e) The advances/loans and guarantees have been provided to meet normal business needs of respective entity.

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

(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 Travels & Tours Private Limited	Ser-egraha Mines Limited	GVK Employee Welfare Trust	GVK Coal Developers (Singapore) Pte Limited	Dr. GVK Reddy	Mr. A. Issac George	Mr. GV Sanjay Reddy	Mr. Krishna Ram Bhupal	Mrs. Indira Krishna Reddy
Transactions during the year																
Fees for services rendered (including service tax)	-	120	-	-	-	-	-	-	-	8	1,507	-	-	-	-	-
	-	(8)	-	-	-	-	-	-	-	(8)	(3,002)	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services received	-	-	-	-	138	3	3	34	-	-	-	-	-	-	-	-
	-	-	-	-	(92)	(3)	(5)	(88)	-	-	-	-	-	-	-	-
Investment in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans/advances given/expenditure incurred on behalf	4	277	6	8	-	-	-	-	-	-	-	-	-	-	-	-
	(4,477)	(714)	(120)	-	-	-	-	-	-	-	(92)	-	-	-	-	-
Loans/advances recovered	1,550	205	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(14,009)	(710)	-	-	-	-	-	-	-	-	(177)	-	-	-	-	-
Share application money given	-	-	-	-	-	-	-	-	-	-	11,288	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(32,522)	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-	-	-	173	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(10,348)	-	-	-	-	-
Interest income	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-	25,700	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(51,169)	-	-	-	-	-
Guarantees released	-	-	813	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	(476)	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments pledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	(87,910,588)	-	-	-	-	-	-	-	-	(7,930,589)	-	-	-	-	-
Investments unpledged (no. of shares)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of remuneration from key managerial personnel	-	-	-	-	-	-	-	-	-	-	-	(211)	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	(1)	(1)
Advances written off	-	-	7,590	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding																
Receivables/ (Payables) - March 31, 2015	4,034	203	10,156	8	65	(5)	1	(37)	6	2,000	34,861	-	-	-	-	-
Receivables/ (Payables) - March 31, 2014	5,580	7	17,740	-	(65)	(11)	(0)	(30)	4	2,000	22,178	-	-	-	-	-
Corporate Guarantee	-	-	-	-	-	-	-	-	1,441	-	320,189	-	-	-	-	-
	5,200	30,950	-	-	-	-	-	-	(1,441)	-	(294,489)	-	-	-	-	-
Pledge of Investment (no. of shares)	(5,200)	87,910,588	(813)	-	-	-	-	-	-	-	148,443,236 *	-	-	-	-	-
	-	(87,910,588)	-	-	-	-	-	-	-	-	(148,443,236)*	-	-	-	-	-

- Note:**
- Previous year figures are in parenthesis except for receivable/(payable) at year end
 - Refer note 26 for equity commitments.
 - * Pledge of 81,148,236 (March 31, 2014: 81,148,236) shares of GVK Energy Limited, 22,495,000 (March 31, 2014: 22,495,000) shares of GVK Transportation Private Limited and 44,800,000 (March 31, 2014: 44,800,000) shares of GVK Airport Developers Limited
 - Refer note 5 (a) (b) and 7 for security provided by subsidiaries for loans availed by the Company.
 - The advances/loans and guarantees have been provided to meet normal business needs of respective entity.

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

(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, 2015 Rs. 10,156 (March 31, 2014: Rs. 17,740)

Maximum amount outstanding during the year was Rs. 17,746 (March 31, 2014: Rs. 17,740)

The aforesaid loan is repayable on demand.

ii) GVK Perambalur SEZ Private Limited

Balance as at March 31, 2015 Rs. 6,719 (March 31, 2014: Rs. 6,710)

Maximum amount outstanding during the year was Rs. 6,719 (March 31, 2014:Rs. 6,710)

The aforesaid loan is repayable on demand.

iii) Goriganga Hydro Power Private Limited

Balance as at March 31, 2015 Rs. 4,767 (March 31, 2014: Rs. 4,759)

Maximum amount outstanding during the year was Rs. 4,767 (March 31, 2014: Rs. 4,759)

The aforesaid loan is repayable on demand.

iv) GVK Airport Developers Limited

Balance as at March 31, 2015 Rs. 76,242 (March 31, 2014: Rs. 51,802)

Maximum amount outstanding during the year was Rs. 84,162 (March 31, 2014: Rs. 58,302)

The aforesaid loan is repayable on demand.

v) GVK Developmental Projects Private Limited

Balance as at March 31, 2015 Rs. 4,033 (March 31, 2014: Rs. 5,579)

Maximum amount outstanding during the year was Rs. 5,583 (March 31, 2014: Rs. 17,959)

The aforesaid loan is repayable on demand.

vi) GVK Transportation Private Limited

Balance as at March 31, 2015 Rs. 0 (March 31, 2014: Rs. 17,089)

Maximum amount outstanding during the year was Rs. 21,249 (March 31, 2014: Rs. 17,089)

The aforesaid loan is repayable on demand.

vii) GVK Ratle Hydro Electrical Projects Private Limited

Balance as at March 31, 2015 Rs. 1 (March 31, 2014: Rs. 0)

Maximum amount outstanding during the year was Rs. 1 (March 31, 2014: Rs. 4,268)

The aforesaid loan is repayable on demand.

viii) Alaknanda Hydro Power Company Limited

Balance as at March 31, 2015 Rs. Nil (March 31, 2014: Rs. 2)

Maximum amount outstanding during the year was Rs. 2 (March 31, 2014: Rs. 2)

The aforesaid loan was repayable on demand.

ix) GVK Power (Goindwal Sahib) Limited

Balance as at March 31, 2015 Rs. 16 (March 31, 2014: Rs. 0)

Maximum amount outstanding during the year was Rs. 156 (March 31, 2014: Rs. 1,325)

The aforesaid loan was repayable on demand.

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

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

x) GVK Coal (Tokisud) Company Private Limited

Balance as at March 31, 2015 Rs. 0 (March 31, 2014: Rs. 0)

Maximum amount outstanding during the year was Rs. 0 (March 31, 2014: Rs. 0)

The aforesaid loan is repayable on demand.

xi) GVK Energy Limited

Balance as at March 31, 2015 Rs. 80 (March 31, 2014: Rs. 6)

Maximum amount outstanding during the year was Rs. 127 (March 31, 2014: Rs. 907)

The aforesaid loan is repayable on demand.

xii) GVK Coal Developers (Singapore) Pte Limited Limited

Balance as at March 31, 2015 Rs. 3 (March 31, 2014: Rs. 3)

Maximum amount outstanding during the year was Rs. 3 (March 31, 2014: Rs. 165)

The aforesaid loan is repayable on demand.

xiii) GVK Bagodara Vasad Expressway Private Limited

Balance as at March 31, 2015 Rs. 3 (March 31, 2014: Rs.1)

Maximum amount outstanding during the year was Rs. 3 (March 31, 2014: Rs. 1)

The aforesaid loan is repayable on demand.

xiv) GVK Jaipur Expressway Private Limited

Balance as at March 31, 2015 Rs. 3 (March 31, 2014: Rs. 1)

Maximum amount outstanding during the year was Rs. 3 (March 31, 2014: Rs. 1)

The aforesaid loan is repayable on demand.

xv) Bangalore International Airport Limited

Balance as at March 31, 2015 Rs. 8 (March 31, 2014: Rs. Nil)

Maximum amount outstanding during the year was Rs. 8 (March 31, 2014: Rs. Nil)

The aforesaid loan is repayable in demand.

xvi) GVK Industries Limited

Balance as at March 31, 2015 Rs. 135 (March 31, 2014: Rs. Nil)

Maximum amount outstanding during the year was Rs. 593 (March 31, 2014: Rs. Nil)

The aforesaid loan is repayable in demand.

25. Contingent liabilities

a. Direct and indirect taxes:

- (i) Income tax demand for assessment year 2008-09 for Rs. 73 (March 31, 2014: Rs. 73), for assessment year 2009-10 Rs. 10 (March 31, 2014: Rs. Nil), for assessment year 2010-11 for Rs. 279 (March 31, 2014: 279), for assessment year 2011-12 for Rs. 11 (March 31, 2014 : Rs. 11) and for assessment year 2012-13 Rs. 44 (March 31, 2014: Rs. Nil).
- (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

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

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

b. Security against loans taken by others

- (i) The Company had provided security by way of pledge of 1,83,000,000 (March 31, 2014: 170,800,000) shares of GVK Airport Developers Limited for loans taken by the aforesaid subsidiary.
- (ii) The Company had provided security by way of pledge of 87,910,588 (March 31, 2014: 87,910,588) shares of GVK Energy Limited for loans taken by the aforesaid subsidiary.
- (iii) The Company has provided security by way of corporate guarantees amounting to Rs 227,919 (March 31, 2014: Rs. 212,371) to subsidiaries and Rs. 1,441 to an associate (March 31, 2014: Rs. 1,441) for various fund and non-fund based facility availed by them.
- (iv) The Company has provided security by way of corporate guarantees amounting to Rs. 3,941 (March 31, 2014: Rs. 5,635) for securing loans obtained by GVK Projects and Technical Services Limited.
- (v) The Company has provided security by way of guarantee amounting to Rs. 320,189 (March 31, 2014: Rs. 294,489) for securing loans obtained by GVK Coal Developers (Singapore) Pte Limited.

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. 146,614 (March 31, 2014: Rs. 161,416).
- (b) The company has given undertaking to infuse equity aggregating to Rs. 333,258 (March 31, 2014: Rs. 306,509) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 81,148,236 (March 31, 2014: 81,148,236), 22,495,000 (March 31, 2014: 22,495,000) and 48,000,000 (March 31, 2014: 44,800,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal (Singapore) Pte. Limited, an entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited will be able to meet its obligations.
- (c) During the year ended March 31, 2011, 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%, 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.

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, 2015 or March 31, 2014.

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

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

28. Unhedged foreign currency exposure

Particulars	March 31, 2015	March 31, 2014
Receivable	1,568	-
Investments and share application money	33,318	22,202

29. 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.

30. Earnings in foreign currency:

	March 31, 2015	March 31, 2014
Guarantee commission	1,507	3,002
	1,507	3,002

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

32. The Company has made investments aggregating to Rs. 33,318 (March 31, 2014: Rs. 22,202) by way of advances, subscription of shares and share application money and provided guarantees and commitments aggregating to Rs. 653,448 to lenders of GVK Coal Singapore Pte Limited (GVK Coal), an entity in which Company owns 10%. GVK Coal has borrowed Rs. 653,448 (March 31, 2014: Rs. 600,998) as at March 31, 2015 from its lender against the aforesaid guarantees and commitments. GVK Coal is currently under development phase and is making losses and its current liabilities exceed current assets by USD 885 million (Rs. 553,929) based on unaudited financial statements for the year ended June 30, 2014. In addition to aforesaid commitments, the Company has also given assurance for financial assistance, if required. The prices of the coal have significantly fallen since GVK coal had acquired stake in the coal mines. GVK coal is also in discussion with non- controlling shareholders to realign the option exercise dates and additional funding from potential investors.

Management believes that GVK Coal would be able to establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary situation and will not impact ability of the company to continue in operation in foreseeable future and accordingly will not have any material adverse impact upon operations and cash flows of the Company.

33. The Company had applied to Central government on May 13, 2013 for waiver of excess managerial remuneration amounting to Rs. 21 for the year ended March 31, 2013 paid to a director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. The Company believes approval will be obtained in due course and would not have any material impact upon the financial statements.

34. Uncertainties faced by GVK Energy Limited

a The subsidiary companies of GVK Energy Limited viz. GVK Industries Limited (GVKIL) and GVK Gautami Power Limited (GVKGPL) (collectively 'subsidiary companies') had commenced construction of phase III and phase II power plants

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

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

respectively on which they have incurred aggregated cost of Rs. 15,655 (March 31, 2014: Rs. 15,655). Due to lower supply/availability of gas, the subsidiary companies have temporarily suspended the construction activities and intend to resume construction once natural gas is available which Management expects to happen in foreseeable future. Further, phase II of GVKIL and Phase I of GVKGPL having fixed assets with Written Down Value of Rs. 196,252 (March 31, 2014: Rs. 209,670) has during the current financial year achieved Nil PLF (March 31, 2014: Nil) and Nil PLF (March 31, 2014: Nil) respectively. Also, GVKIL and GVKGPL have incurred losses of Rs. 6,916 (March 31, 2014: Rs. 7,888) and Rs. 20,474 (March 31, 2014: Rs. 21,103) respectively. However, GVKIL is in the process of tying up of additional loans and GVKGPL has already obtained moratorium for payments. Further, the Company and Association of Power Producers are closely monitoring the situation and evaluating various approaches to deal with the situation and Management of the Company is confident that Government of India will take necessary steps/initiatives to improve the situation of natural gas. Further, Management based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions believes the subsidiary companies will continue to be in operation in foreseeable future despite continued losses.

- b. GVK Goindwal (Sahib) Limited, subsidiary company is presently constructing 540 MW power project with carrying value of Rs. 388,986 which was dependent upon GVK coal mine for fuel. In the wake of cancellation of coal mine as referred in note 36, Management has obtained coal linkage for six months, taken opinion for running plant on imported coal, tied up for importing coal and is mulling other options such as, obtaining coal linkage locally and has filed petition with Punjab State Electricity Regulatory Commission for re- negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Management based on legal advice believes that cancellation of coal mine will not impact the operations of the upcoming power project.

The Company accordingly believes that investments, including Compulsory Convertible Debentures, in subsidiary company with carrying value of Rs. 108,323 (includes gas and non-gas based projects) is recoverable in normal course of business and no provision for diminution is necessary.

35. During the previous year, Termination Notice was served by GVK Oil & Gas Limited, a subsidiary involved in oil & gas activity on Ministry of Petroleum and Natural Gas (Ministry) for termination of Production Sharing Contract. The subsidiary had alleged that it has not been able to effectively carry out exploration operations in the Blocks allotted to it due to Ministry of Defence clearance issues. The Management believes that Ministry will reimburse subsidiary for costs incurred by it and accordingly no adjustment is required to balance carrying value of investments and advances aggregating to Rs. 10,161 (net of written off Rs. 7,590) (March 31, 2014: Rs. 17,745) and guarantee aggregating to Rs. Nil (March 31, 2014: Rs. 813) issued by the Company for subsidiary.
36. The Honourable Supreme Court vide its decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited, subsidiary of GVK Energy Limited is arbitrary and illegal and has cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honourable Supreme Court's judgment. The subsidiary company has filed writ petition before the Hon'ble High Court of Delhi impugning the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to the subsidiary company for taking over the Tokisud Coal Block as Rs. 11,129 against the carrying value of assets of Rs. 35,575 in the books of subsidiary company. The Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine and accordingly no provision is required to be made to investments, including Compulsory Convertible Debentures, in GVK Energy Limited with carrying value of Rs. 108,323
37. The financial statements contain certain amounts reported as "0" which are less than Rs. 1.

38. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

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

per **Vikas Kumar Pansari**
Partner
Membership no.: 093649

Place of Signature: Hyderabad
Date: May 16, 2015

For and on behalf of the board of directors of
GVK Power & Infrastructure Limited

Dr. GVK Reddy
Chairman & Managing Director

A Issac George
Director & CFO

G V Sanjay Reddy
Director

P V Rama Seshu
GM & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC059013

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

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

There is growing awareness and concern on the need to protect our environment around the globe. GVK has always been a company that has taken the lead in its efforts to protect the environment, with a strong focus on eco-sustainability in our operations. In this regard and in continuation with our earlier letter dated May 18, 2011, we once again appeal to you to register your e-mail Ids for receiving the Annual reports, Notices and other documents in soft copies.

This is in line with the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) permitting listed entities to send soft copies of the Annual Report, Notices and other documents to all those shareholders who have registered their e-mail addresses for the said purpose.

We request you to join us in this noble initiative and look forward to your consent for receiving communication through the electronic mode.

To do this, you are requested to take the following steps:

- For shares held in physical mode: Please fill in the appended Green Initiative form and register the same with our RTA - Karvy Computershare Pvt. Ltd.
- For shares held in dematerialized mode: Please update/register your e-mail address with your Depository participant or e-mail at **einward.ris@karvy.com** specifying your Client ID and DP Id and also fill in the appended Green Initiative form and register the same with our RTA - Karvy Computershare Pvt. Ltd.

The Annual Report of your Company would also be made available on the Company website **www.gvk.com**. Further, you will be entitled to get a hard copy of the Annual Report of the Company, upon receipt of a requisition from you, any time, as a member of the Company.

Thanking you,

For GVK Power & Infrastructure Limited

P V Rama Seshu
GM & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC059013

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

To

KARVY COMPUTERSHARE PVT LTD
Unit: GVK Power & Infrastructure Ltd
 Karvy Selenium Tower B, Plot 31-32
 Gachibowli, Financial District
 Nanakramguda, Hyderabad – 500 032

Dear Sirs,

Sub: Green Initiative in Corporate Governance-Service of Annual Report, Notice and other documents in electronic mode

I hereby give my consent to receive the above mentioned documents through the electronic mode.

Name of the sole/first shareholder	DP ID and Client ID/Folio No
E-mail ID	Signature of sole/first shareholder & Date

Notes:

1. On registration, all communications will be sent to the e-mail ID registered.
2. Shareholders are requested to keep the Company's Registrar - Karvy Computershare Pvt. Ltd. informed as and when there is any change in the e-mail address.

This page has been intentionally kept blank



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC059013

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

Email: cs.gvkpil@gvk.com website: www.gvk.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____

Member's Folio No/ Client ID : _____ **No. Of shares held** _____.

Name of Proxy _____

(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 21st Annual General Meeting of the GVK Power & Infrastructure Limited, at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 on Thursday, 13th August 2015 at 11.30 a.m.

.....
Member's / Proxy's Signature

- Notes:
- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
 - 2) The Proxy, to be effective should be deposited at the Registered office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
 - 3) A Proxy need not be a member of the Company.
 - 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
 - 5) This form of proxy confers authority to demand or join in demanding a poll.
 - 6) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.





GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC059013

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

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

E.mail: cs.gvkipil@gvk.com Website: www.gvk.com

Form No: MGT 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Regd. Folio No. :	*DP ID :
No. of Shares held:	*Client ID :

I/we, being member(s) of _____ shares of GVK Power & Infrastructure Limited, hereby appoint.

- _____ of _____ having E-mail ID: _____ or failing him
- _____ of _____ having E-mail ID: _____ or failing him
- _____ of _____ having E-mail ID: _____

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company, to be held on Thursday, the 13th day of August, 2015 at 11.30 a.m. Sri Satya Sai Nigamagaram, 8-3-987/2, Srinagar Colony, Hyderabad - 500073 and at any adjournment thereof:

Sl. No.	Resolution(s)	Vote	
		For	Against
Ordinary Business			
1	Adoption of Audited financial statements for the year ended 31.03.2015		
2	Appointment of G V Sanjay Reddy as a director retiring by rotation		
3	Re-appointment of M/s S R Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors		
Special Business			
Ordinary Resolutions			
4	Appointment of K Balarama Reddi as an Independent Director up to 12th February 2020		
5	Appointment of Santha K John as an Independent Director up to 30th March 2020		
6	Appointment of Ch G Krishna Murthy as an Independent Director up to 12th February 2020		
7	Appointment of S Balasubramanian as an Independent Director up to 12th February 2020		
Special Resolution			
8	Further issue of equity shares under Section 62 of the Companies Act, 2013		

Signed this _____ day of _____ 2015

Signature of member: _____ Signature of proxy holder: _____

Affix
Re.1/-
Revenue
Stamp

- Note: 1 The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Proxy need not be a member of the Company.

* Applicable for investors holding shares in Electronic Form.

** Shareholders attending the meeting in person or through proxy shall use the ballot paper as provided at the meeting venue, to exercise their voting rights.



New Terminal 1A, KIAL, Bengaluru



Walkalator at T2, MIAL, Mumbai

If undelivered, please return to:

KARVY COMPUTERSHARE PRIVATE LIMITED

Unit: GVK Power & Infrastructure Limited

Registrar & Share Transfer Agent

Flat No. 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad – 500 081

Phone: 040-44655133, Fax: 040-23420814

E-mail: mailmanager@karvy.com