



# **NARESH KATHOTIA & CO.**

## **CHARTERED ACCOUNTANTS**

H. No. 5-3-404 To 5-3-411,  
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R.P. Road, Hyderbasti,  
Secunderabad -500003.  
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Email : nkathotia@gmail.com

### **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**GVK Transportation Private Limited**

**Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of GVK Transportation Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Emphasis of Matters**

We draw attention to the following matter in the notes to financial statements:

Note 23 in the financial statements indicates that the company has accumulated losses and its networth has been fully eroded, the company has incurred a net loss during the current year and previous year(s) and net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of these matters.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities



under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management for Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of



adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for



our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating





the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, the statement of profit and loss, the statement of changes in equity and the cash flow statement dealt by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rules made thereunder and in force for the time being;
  - e. on the basis of the written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 all pending litigations on its financial position in its financial statements - Refer note no 1 corporate information to the financial statements;
  - ii. The company did not, as at March 31, 2020, have any material foreseeable losses relating to long term contracts including derivative contracts.
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31 March 2020.
  - iv. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



for Naresh Kathotia & Co  
Firm's Registration No. 0009451S  
Chartered Accountants

  
(Naresh Kathotia)

Proprietor  
Membership Number 210864

Place: Secunderabad  
Date : 25<sup>th</sup> June 2020

**Annexure A to the Independent Auditor's report** (Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of GVK Transportation Private Limited of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

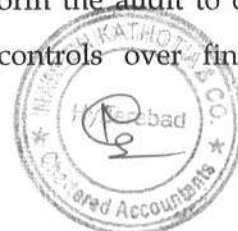
We have audited the internal financial controls over financial reporting of GVK Transportation Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial



reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any



evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



for Naresh Kathotia & Co  
Firm's Registration No. 0009451S  
Chartered Accountants

*(Signature)*  
(Naresh Kathotia)

Proprietor

Membership Number 210864

Place: Secunderabad

Date : 25<sup>th</sup> June 2020

### **Annexure B to the Independent Auditor's Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of GVK Transportation Private Limited.

(i) The Company has no fixed assets, hence clause (i) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(ii) The company does not have any inventory, hence clause (ii) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(iii) 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. Therefore the clause no: (iii) (a) (b) and (c) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(iv) The company has not made any investments, guarantees and securities, offered by the Company in terms of Section 185 and 186 of the companies Act 2013 during the year and therefore the clause (iv) paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(v) The Company has not accepted deposits and therefore compliance of directives issued by the Reserve of India and the provisions of sections 73 to 76 or any other relevant provisions of the companies Act and the rules framed there under doesn't arise.

(vi) The company is not engaged in production of goods or providing services and therefore cost records in the terms of section 148(1) of the Act are not required to be maintained.

(vii) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state





insurance, income tax, sales tax, wealth tax, service tax, value added tax, cess and material statutory dues applicable to it.

According to the information and explanation given to us, there are no dues which have not been deposited on account of any dispute.

(b) According to the information and explanations given to us and the records of the Company examined by us, below statutory dues which have not been deposited on account of disputes are as under:

Name of the statute	Nature of tax	Amounts (Rs.)	Period to which amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax	21,89,990	2011-2012	ITAT-Hyderabad
Income tax Act, 1961	Income tax	1,48,83,040	2012-2013	CIT- Appeals, Hyderabad
Income tax Act, 1961	Income tax	4,86,20,840	2013-2014	CIT- Appeals, Hyderabad
Income tax Act, 1961	Income tax	Nil	2014-2015	CIT- Appeals, Hyderabad

(viii) According to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowed to bank(s) and financial institution(s), Government or debenture holders during the year under report.

(ix) The company has not raised any money through public offer or term loans and therefore the clause (ix) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(x) Based upon the audit procedures performed and according the information and explanation given to us , we report that no fraud on or by the company has been noticed or reported during the year under report.

(xi) The company has not paid or provided any managerial remuneration and therefore the clause (xi) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.



(xii) The Company is not a Nidhi Company. Therefore, paragraph 3(xii) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.


(xiii) According to the information and explanation given to us, the Company has complied with Sections 177 and 188 of companies Act 2013 in respect of all related party transactions and have been properly disclosed in the financial statements as required by the applicable Accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore the clause (xiv) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and therefore the clause (xv) of paragraph 3 of the companies (Audit Report) Order 2016 is not applicable to the company for the year under report.

(xvi) Considering the nature of the business and transactions of the Company, it is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



for Naresh Kathotia & Co  
Firm's Registration No. 0009451S  
Chartered Accountants  
  
(Naresh Kathotia)  
Proprietor  
Membership Number 210864

Place: Secunderabad  
Date : 25<sup>th</sup> June 2020

GVK Transportation Private Limited

Balance Sheet as at March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	2,025	2,025
Financial assets			
-Investments	4	8,618,438,959	8,312,411,137
		8,618,440,984	8,312,413,162
Current Assets			
Financial assets			
-Cash and cash equivalents	5	466,441	239,917
Other current assets	6	220,000	-
		686,441	239,917
Total		8,619,127,425	8,312,653,079
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	7	377,000,700	377,000,700
Other equity	8	(2,397,778,080)	(2,400,225,401)
		(2,020,777,380)	(2,023,224,701)
Liabilities			
Current liabilities			
Financial liabilities			
(a) Borrowings	9	10,634,124,213	10,330,705,651
(b) Trade payables	10	1,659,665	1,727,095
Tax liabilities, net	11	4,039,907	3,313,834
Other current liabilities	12	81,020	131,200
		10,639,904,805	10,335,877,780
Total Equity and liabilities		8,619,127,425	8,312,653,079

Corporate information & Summary of significant 1 & 2 accounting policies

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

In terms of our report attached

UDIN - 20210864AAAABA 4000

For Naresh Kathotia & Co

Chartered Accountants

Firm No. 0009451S

*Naresh Kathotia*

Naresh Kathotia

Proprietor

Membership No. 210864



For and on behalf of the Board of Directors

GVK Transportation Private Limited

*P Venkata Prasanna Reddy*

P Venkata Prasanna Reddy

Director

(DIN:01259482)

*Sanjeev Kumar Singh*

Sanjeev Kumar Singh

Director

(DIN:06820986)

Place: Secunderabad

Date: 25.06.2020

GVK Transportation Private Limited  
Statement of Profit and Loss for the year ended 31st March 2020  
(All amounts are in Indian Rupees except for share data or otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the Year ended March 31, 2019
<b>INCOME</b>			
(a) Other income	14	3,458,748	1,376,024
Total income		<u>3,458,748</u>	<u>1,376,024</u>
<b>EXPENSES</b>			
(a) Finance costs	15	-	17,299,797
(b) Other operating expenses	16	285,354	1,301,460
Total expenses		<u>285,354</u>	<u>18,601,257</u>
(Loss)/Profit before tax		3,173,394	(17,225,233)
Tax expense			
Current tax	17	726,073	-
(Loss)/Profit for the year		<u>2,447,321</u>	<u>(17,225,233)</u>
 Earnings per equity share:	20		
Basic earnings per share		0.06	(0.46)
Diluted earnings per share		0.06	(0.46)
Corporate information & Summary of significant accounting policies	1&2		

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

In terms of our report attached

UDIN - 20210864AAAA BA4000

For Naresh Kathotia & Co

Chartered Accountants

Firm No. 0009451S

*Naresh Kathotia*

Naresh Kathotia  
Proprietor

Membership No. 210864

Place: Secunderabad

Date: 25.06.2020



For and on behalf of the Board of Directors

GVK Transportation Private Limited

*P Venkata Prasanna Reddy*

P Venkata Prasanna Reddy  
Director  
(DIN:01259482)

*Sanjeev Kumar Singh*

Sanjeev Kumar Singh  
Director  
(DIN:06820986)



## GVK Transportation Private Limited

## Statement of changes in equity for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

## a) Equity Share Capital

Equity shares of INR 10 each issued and subscribed	No.	Amount
Opening Balance	37,700,070	377,000,700
Issued during the year	-	-
At March 31, 2020	37,700,070	377,000,700

## b) Other equity

Attributable to the equity holders of the parent

Particulars	Reserves and surplus	Total
	Retained earnings	
Opening Balance	(2,383,000,168)	(2,380,634,288)
Add: (Loss) for the year	2,447,321	2,447,321
Balance at March 31, 2020	(2,380,552,847)	(2,378,186,967)

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

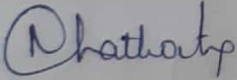
In terms of our report attached

UDIN - 20210864 AAAABA4000

For Naresh Kathotia &amp; Co

Chartered Accountants

Firm No. 0009451S



Naresh Kathotia

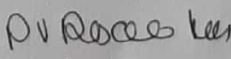
Proprietor

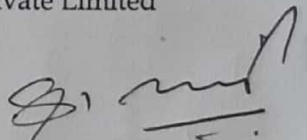
Membership No. 210864



For and on behalf of the Board of Directors

GVK Transportation Private Limited

  
P Venkata Prasanna Reddy  
Director  
(DIN:01259482)

  
Sanjeev Kumar Singh  
Director  
(DIN:06820986)

Place: Secunderabad

Date: 25.06.2020

GVK TRANSPORTATION PRIVATE LIMITED  
Cash flow statement for the year ended March 31, 2020  
(All amounts are in Indian Rupees except for share data or otherwise stated)

Particular	For Year Ended March 31, 2020	For Year ended March 31, 2019
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss)/ Profit before tax	3,173,394	(1,620,880)
Adjustments to reconcile profit before tax to net cash flows		
Finance cost	-	550,857
Interest income received	-	(789,658)
Credit Balance Written Back (Net)	-	-
Operating (Loss)/Profit before working capital changes	3,173,394	(1,859,681)
Movements in working capital:		
Increase / (Decrease) in trade payables	(67,430)	(208,667)
Increase / (Decrease) in other current liabilities	(50,180)	(19,490)
Cash generated from operations	3,055,784	(2,087,838)
Direct Taxes paid (net of refunds)	-	(820,748)
Net Cash flow from Operating Activities (A)	3,055,784	(2,908,586)
<b>II. CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Capital and other Advances	(220,000)	95,288,055
Investment made in Subordinated debt (Deemed Equity)	(306,027,822)	(770,779,547)
Interest received	-	789,658
Dividends received from subsidiary companies	-	-
Net cash used in investing activities (B)	(306,247,822)	(674,701,834)
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from short-term borrowings	303,418,562	658,077,780
Repayment of loan	-	(41,274,804)
Interest paid	-	(21,261,898)
Net cash from financing activities (C)	303,418,562	595,541,078
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	226,524	(82,069,342)
Cash and Cash Equivalents at the beginning of the year	239,917	83,310,726
Cash and Cash Equivalents at the end of the year	466,441	1,241,384
Components of cash and cash equivalents		
in current accounts	466,441	239,917
Total Cash And Cash Equivalents	466,441	239,917

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

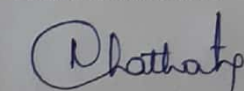
In terms of our report attached

UDIN : 20210864 AAAA BA4000

For Naresh Kathotia & Co

Chartered Accountants

Firm No. 0009451S



Naresh Kathotia

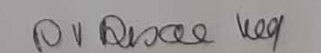
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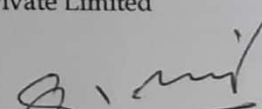
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For and on behalf of the Board of Directors

GVK Transportation Private Limited

  
P Venkata Prasanna Reddy  
Director  
(DIN:01259482)

  
Sanjeev Kumar Singh  
Director  
(DIN:06820986)

Place: Secunderabad

Date: 25.06.2020



GVK TRANSPORTATION PRIVATE LIMITED  
 156-159, "PAIGAH HOUSE, SARDARPATEL ROAD,  
 SECUNDERABAD - 500 003  
 STATUS :PRIVATE LIMITED COMPANY  
 ACCOUNTING YEAR :2019-20  
 ASSESSMENT YEAR:2020-21

PAN : AADCG5295P  
 CIRCLE 2(2), Hyderabad

ADJUSTED STATEMENT OF INCOME FOR THE YEAR ENDED 31ST MARCH, 2020

	AMOUNT.RS	AMOUNT.RS
<b><u>I. INCOME FROM BUSINESS:</u></b>		
Net Profit/(Loss) as per Statement of Profit & Loss		3,173,394
<b><u>Add:</u></b>		
1) Depreciation considered separately	-	-
		3,173,394
<b><u>Less:</u></b>		
1) Depreciation allowable under Income Tax Rules - 4th Year	-	-
		-
<b>LOSS FROM BUSINESS</b>		3,173,394
<b><u>II. INCOME FROM CAPITAL GAINS</u></b>		-
<b><u>III. INCOME FROM OTHER SOURCES</u></b>		-
<b>GROSS TOTAL INCOME</b>		3,173,394
<b><u>DEDUCTION UNDER CHAPTER - VIA:</u></b>		Nil
<b>NET TAXABLE INCOME</b>		3,173,394
<b>Taxable Profit</b>		or 3,173,394
Tax on the Above @ 22%		698,147
Education Cess @4%		27,926
Total Current Tax		726,073



1 Corporate information

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

2. Statement of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Functional and presentation currency

The financial statements are presented in INR which is also the Company's functional currency and all values are rounded to the nearest rupees, except when otherwise indicated.

(c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.





The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

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

(i) Interest

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

(ii) Dividends

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

(e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

(f) Property, plant and equipment

Under the previous GAAP (Indian GAAP), Property, Plant and Equipment were carried in the balance sheet at cost of acquisition. The Company has elected to regard those values of assets as deemed cost at the date of the acquisition since they were broadly comparable to fair value. The Company has also determined that cost of acquisition or construction does not differ materially from fair valuation as at April 01, 2015 (date of transition to Ind AS).

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.





Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	3 Years
-----------	---------

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period/year end and adjusted prospectively, if appropriate.

(g) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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. When 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.





(h) Borrowing costs

The borrowing costs not 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 expensed in the period in which they occur.

(i) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

*Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

*Subsequent measurement*

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

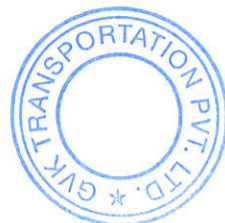
*Equity investments:*

In respect of equity investments, when an entity prepares separate financial statements, Ind AS 27 requires it to account for its investments in subsidiaries and associates either:

(a) at cost; or

(b) in accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in its separate opening Ind AS Balance Sheet:



- (a) cost determined in accordance with Ind AS 27; or
- (b) deemed cost. The deemed cost of such an investment shall be its:
  - (i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
  - (ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary or associate that it elects to measure using a deemed cost.

Since the company is a first time adopter it has measured its investment in subsidiary and associate at deemed cost in accordance with Ind AS 27 by taking previous GAAP carrying amount.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18
- c) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.





ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- ▶ Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ▶ Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

#### Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Borrowing cost directly attributable to the acquisition or construction 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.

##### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### *Reclassification of financial assets*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(k) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(l) Segment Reporting

The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. the DBFOT road project and hence no separate disclosures are required under Ind AS 108.





## 3. Property, plant and equipment

Particulars	As at	
	March 31, 2020	March 31, 2019
Carrying amount of:		
Computers	2,025	2,025
Total	2,025	2,025

## Note : 3.1 Property, plant and equipment

Description of Assets	Computers	Total
At Cost		
As at 1 April 2019	2,025	2,025
Additions	-	-
Deletions	-	-
At March 31, 2020	2,025	2,025
Balance as at 1 April, 2019	-	-
Depreciation Charge for the year	-	-
Balance at March 31, 2020	-	-
Net Block		
Balance as at March 31, 2019	2,025	2,025
Balance at March 31, 2020	2,025	2,025



## GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

## 4. Investments -Non Current

Particulars	As at	
	March 31, 2020	March 31, 2019
Investment carried at cost		
(i) Equity instruments of Subsidiaries (unquoted)	3,417,067,047	3,417,067,047
(ii) Subordinated Debt (Deemed Equity )	5,201,371,912	4,895,344,090
Total	8,618,438,959	8,312,411,137

## Note 4.1: Details of non-current investments

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity instruments of Subsidiaries (unquoted)				
i. GVK Deoli Kota Expressway Pvt. Ltd	45,689,200	456,892,000	45,689,200	456,892,000
ii. GVK Jaipur Expressway Pvt Ltd	96,810,100	2,740,127,047	96,810,100	2,740,127,047
iii. GVK Bhagodara Vasad Expressway Pvt	21,004,900	210,049,000	21,004,900	210,049,000
iv. GVK Shivapuri Dewas Expressway Pvt	999,900	9,999,000	999,900	9,999,000
Total		3,417,067,047		3,417,067,047
Subordinated Debt (Deemed Equity)				
i. GVK Deoli Kota Expressway Pvt. Ltd		3,757,421,220		3,460,348,637
ii. GVK Bhagodara Vasad Expressway Pvt. Ltd		1,242,157,318		1,241,598,417
iii. GVK Shivapuri Dewas Expressway Pvt. Ltd		141,793,374		133,397,036
iv. Sutara Roads & Infra Limited		60,000,000		60,000,000
Total		5,201,371,912		4,895,344,090
Total Investment		8,618,438,959		8,312,411,137



GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

Note - 5: Cash and Cash Equivalents

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances with Banks		
in current accounts	466,441	239,917
Total Cash and cash equivalents	466,441	239,917

6. Other current assets

Particulars	As at	
	March 31, 2020	March 31, 2019
Advances recoverable in cash or kind (unsecured, considered good)		
- To related parties	220,000	-
- To Other	-	-
Balance with government authority	-	-
Total current assets	220,000	-





## 7. Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019
i. Authorised share capital:		
200,000,000 (March 31, 2019: 200,000,000) shares of Rs. 10 each	2,000,000,000	2,000,000,000
b. Issued, Subscribed & Paid up share capital:		
37,700,070 (March 31, 2019: 37,700,070) shares of Rs. 10 each	377,000,700	377,000,700
Total	377,000,700	377,000,700

## a. Reconciliation of number of shares outstanding and amount at the beginning and at the end of the year

Particulars	March 31, 2020		March 31, 2019	
	No.	Rs	No.	Rs
Number of shares at the beginning of the year	37,700,070	377,000,700	37,700,070	377,000,700
Issue of shares during the year	-	-	-	-
Outstanding, at the end of the year	37,700,070	377,000,700	37,700,070	377,000,700

## b. Terms/ rights attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

## c. Details of shareholders holding more than 5% equity shares in the Company

Particular	March 31, 2020		March 31, 2019	
	No.	% of holding	No.	% of holding
GVK Power & Infrastructure Limited, the holding company	37,700,070	100%	37,700,070	100%

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

## d. Details of shares held by the holding company:

Particular	March 31, 2020		March 31, 2018	
	No.	% of holding	No.	% of holding
GVK Power & Infrastructure Limited, the holding company	37,700,070	100%	37,700,070	100%
Total	37,700,070	100%	37,700,070	100%





GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

8. Other equity

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Retained earnings	(2,397,778,080)	(2,400,225,401)
Balance at end of year	(2,397,778,080)	(2,400,225,401)

8.1 Deficit in Statement of Profit and Loss	As at	As at
	March 31, 2020	March 31, 2019
Balance at beginning of year (deficit)	(2,400,225,401)	(2,383,000,168)
(loss)/Profit attributable to owners of the Company	2,447,321	(17,225,233)
Balance at end of year	(2,397,778,080)	(2,400,225,401)



GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

9. Current borrowings

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Unsecured Borrowings		
from related parties	3,329,532,828	2,724,952,453
from Other	7,304,591,385	7,605,753,198
Total	10,634,124,213	10,330,705,651



GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

10. Trade Payables -Current

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Dues to micro enterprises and small enterprises (Refer Note i below)	-	-
Dues to creditors other than		
(i) dues to others	1,659,665	1,727,095
Total	1,659,665	1,727,095

Note i.

There are no dues to Micro, small and medium enterprises as at June 30, 2019 and March 31, 2019. The identification of Micro, small and medium enterprises as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on management's knowledge of their status.

11. Current tax liabilities, net

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Current tax liabilities	4,039,907	3,313,834
Total	4,039,907	3,313,834

12. Other liabilities

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Statutory remittances	10,220	80,000
Other Payables	70800	51,200
Total	81,020	131,200



## 13. Commitments and Contingent Liabilities

a) The Company has obtained Bank Guarantee for Rs.140.75Cr from ICICI Bank in favour of NHAI for its Subsidiary M/s GVK Shivpuri Dewas Expressway Private Limited (GVK SDEPL). GVK SDEPL issued notice of termination of the Concession Agreement to NHAI and filed an application before the Honorable High Court Delhi praying for relief from possible invocation of the performance security by NHAI. The Hon'ble High Court of Delhi referred the matter to the Arbitral Tribunal constituted under the Arbitration and Conciliation Act. The Company has received Orders dated 10th April 2015 from the Arbitral Tribunal, permitting it to renew the bank Guarantee for a value of Rs. 28.15 crore, instead of Rs.140.75 crore. The proceedings before the Arbitration Tribunal are in progress and the interim orders of the Hon'ble High Court of Delhi restraining NHAI from invoking the Performance Bank Guarantee is in force as on the date of the Balance Sheet.

b) The company has following contingent liabilities which may or may not arise;

Nature of tax	Amounts (Rs.)	Period to which amount relates	Forum where dispute is pending
Income tax	21,89,990	2011-2012	ITAT-Hyderabad
Income tax	1,48,83,040	2012-2013	CIT- Appeals, Hyderabad
Income tax	4,86,20,840	2013-2014	CIT- Appeals, Hyderabad
Income tax	Nil	2014-2015	CIT- Appeals, Hyderabad





## GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

## 14. Other income (net)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Bank deposits	-	548,014
Credit Balance Written Back (Net)	-	828,010
Excess Interest paid on Overdraft loan refunded	3,458,748	-
<b>Total</b>	<b>3,458,748</b>	<b>1,376,024</b>

## 15. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Interest on bank overdrafts and loans	-	17,299,766
- Other finance charges	-	31
<b>Total</b>	<b>-</b>	<b>17,299,797</b>

## 16. Other operating expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Legal & professional charges	147,736	1,136,889
Auditors' remuneration	11,800	23,600
Printing and stationery	-	1,200
Miscellaneous expenses	125,818	139,771
<b>Total</b>	<b>285,354</b>	<b>1,301,460</b>

## 17. Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Tax	726,073	-
Deferred Tax (Refer Note below)	-	-
	<b>726,073</b>	<b>-</b>

The company has carry forward losses under Income Tax Act amounting to Rs. 281,28,61,306/- on which no deferred tax asset is created as the management of the company have an opinion that there is no virtual certainty supported by convincing evidence that the sufficient future taxable income will be available against which such deferred tax assets can be realised.



## 18 Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits. The Company's adjusted net debt to equity ratio at 31 March 2020 was as follows:

Particular	31 March 2020	31 March 2019
Total liabilities	10,639,904,805	10,335,877,780
Less: cash and cash equivalents	466,441	239,917
Adjusted net debt	10,639,438,364	10,335,637,863
Total equity	(2,020,777,380)	(2,023,224,701)
Adjustments	-	-
Adjusted equity	(2,020,777,380)	(2,023,224,701)
Adjusted net debt to adjusted equity ratio	(5.27)	(5.11)

## 19 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Particular	31 March 2020	31 March 2019
i. Profit (loss) attributable to equity shareholders(basic)	2,447,321	(17,225,233)
ii. Weighted average number of equity shares (basic)	37,700,070	37,700,070
Basic EPS	0.06	(0.46)

The Company does not have any potentially dilutive equity shares outstanding during the year.





## 20. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## a) Financial instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Non-Current Investments	8,618,438,959	-	-	-	-	8,618,438,959	8,618,438,959
Current Cash and cash equivalents	466,441	-	-	-	-	466,441	466,441
Total	8,618,905,400	-	-	-	-	8,618,905,400	8,618,905,400
Liabilities:							
Current liabilities							
Borrowings	10,634,124,213	-	-	-	-	10,634,124,213	10,634,124,213
Trade payables	1,659,665	-	-	-	-	1,659,665	1,659,665
Total	10,635,783,878	-	-	-	-	10,635,783,878	10,635,783,878

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Non-Current Investments	8,312,411,137	-	-	-	-	8,312,411,137	8,312,411,137
Current Cash and cash equivalents	239,917	-	-	-	-	239,917	239,917
Total	8,312,651,054	-	-	-	-	8,312,651,054	8,312,651,054
Liabilities:							
Current liabilities							
Borrowings	10,330,705,651	-	-	-	-	10,330,705,651	10,330,705,651
Trade payables	1,727,095	-	-	-	-	1,727,095	1,727,095
Total	10,332,432,746	-	-	-	-	10,332,432,746	10,332,432,746



## Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2020:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:					
Non-Current Investments	31-Mar-20	-	-	8,618,438,959	8,618,438,959
Total		-	-	8,618,438,959	8,618,438,959
Financial Liabilities:					
Current liabilities					
Borrowings	31-Mar-20	-	-	10,634,124,213	10,634,124,213
Trade payables	31-Mar-20	-	-	1,659,665	1,659,665
Total		-	-	10,635,783,878	10,635,783,878

## Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

Fair value measurement using					
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets:					
Non-Current Investments	31-Mar-19	-	-	8,312,411,137	8,312,411,137
Total		-	-	8,312,411,137	8,312,411,137
Financial Liabilities:					
Current liabilities					
Borrowings	31-Mar-19	-	-	10,330,705,651	10,330,705,651
Trade payables	31-Mar-19	-	-	1,727,095	1,727,095
Total		-	-	10,332,432,746	10,332,432,746





## 21. Financial Risk Management Framework

### Financial risk management

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

### Trade receivables

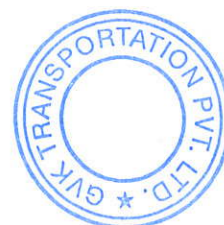
Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is towards related parties and not subject to significant credit risk based on past history.

### Non Current Investment:

The Company holds non-current investment in the form of equity and other financial instruments in 100 % subsidiaries of Rs. 8,61,84,38,959/- at 31 March 2020 (31 March 2019 Rs. 8,31,24,11,137/-).

### Cash and cash equivalents:

The Company holds cash and cash equivalents of Rs. 4,66,441/- at 31 March 2020 (31 March 2019: Rs. 2,39,917). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.





**Exposure to credit risk:**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 8,61,84,40,984/- as at March 31, 2020 (Rs. 8,31,26,51,054/- as at March 31, 2019), being the total of the carrying amount of financial assets.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Particular	On Demand	in next 12 months	>1 year	Total
Year ended March 31, 2020				
Borrowings	-	10,634,124,213	-	10,634,124,213
Trade and other payables	-	1,659,665	-	1,659,665
	-	10,635,783,878	-	10,635,783,878

Particular	On Demand	in next 12 months	>1 year	Total
Year ended March 31, 2019				
Borrowings	-	10,330,705,651	-	10,330,705,651
Trade and other payables	-	1,727,095	-	1,727,095
	-	10,332,432,746	-	10,332,432,746

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rates.



GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

22 Related Party Disclosures

Transactions with Related Parties as specified under Ind- AS 24

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	GVK Power and Infrastructure Limited	Holding Company
2	GVK Deoli Kota Expressway Private Limited	Subsidiary Company
3	GVK Bagodara Vasad Expressway Pvt Ltd	Subsidiary Company
4	GVK Shivpuri Dewas Expressway Pvt Ltd	Subsidiary Company
5	GVK Jaipur Expressway Pvt Ltd	Subsidiary Company
6	GVK Gautami Power limited	Entities over which key management personnel and relatives of ultimate parent company exercise significant influence.
7	GVK Airport Developers Ltd.	
8	GVK Projects and Technical Services Limited	
9	GVK Technical & Consultancy Services Private Limited	
10	Pinakini Share & Stock brokers Ltd	
11	Mumbai International Airport Limited	
12	GVK Developmental Projects Pvt Ltd	
13	Sutara Roads & Infra Limited	

B. Key management personnel

S. No.	Name of Personnel	Nature of relationship
1	Mr. Sanjeev Kumar Singh	Director
2	Mr. P Venkata Prasanna Reddy	Director
3	Dr. P Krishnam Raju	Director
4	Mr. Mazharul Haq Syed	Director



## C Enterprises over which Key Management Personnel exercises significant influence

S.No	Name of Personnel	Enterprises	Relationship
1	Mr. Sanjeev Kumar Singh	GVK Airport Services Private Limited	Director
2	Mr. P Venkata Prasanna Reddy	Goriganga Hydro Power Private Limited	Director
		GVK Power (Goindwal Sahib) Limited	Director
		GVK Jaipur Expressway Private Limited	Director
		Aekaparnika Foundation	Director
		GVK Power & Infrastructure Limited	Whole time Director
3	Dr. P Krishnam Raju	GVK Coal (Tokisud) Company Private Limited	Director
		Stone Bands Private Limited	Director
		Alaknanda Hydro Power Company Limited	Director
		Crescent EPC Projects & Technical Services Limited	Director
		GVK Oil & Gas Limited	Director
		Sabarmati Agro-Farms Private Limited	Director
		JK Operations and Maintenance Private Limited	Director
		GVK Energy Ventures Private Limited	Director
		Sutara Roads & Infra Limited	Director
		Novopan Industries Limited	Director
		GVK Gautami Power Limited	Director
		GVK Developmental Projects Private Limited	Director
		GVK Energy Limited	Director
		GVK Industries Limited	Director
4	Mr. Mazharul Haq Syed	GVK Oil & Gas Limited	Director
		GVK Power (Goindwal Sahib) Limited	Director
		Sutara Roads & Infra Limited	Director
		Gold Green Aviation Services Private Limited	Director
		GVK Coal (Tokisud) Company Private Limited	Director





## GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

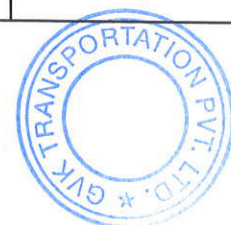
(All amounts are in Indian Rupees except for share data or otherwise stated)

## D. Transactions with related parties during the year ended

S. No.	Name of the related party	Nature of transactions	31 March 2020	31 March 2019
1	GVK Power & Infrastructure Limited	Short term loan received	3,270,000	5,250,000
		Short term loan repaid	-	163,828,747
2	GVK Deoli Kota Expressway Private Limited	Amount invested in Other financial instrument (Subordinated Debt)	297,072,583	445,760,000
3	GVK Bagodara Vasad Expressway Private Limited	Amount invested in Other financial instrument (Subordinated Debt)	558,900	347,253
4	GVK Shivpuri Dewas Expressway Private Limited	Other advances		-
		Subordinated Debt	8,396,339	8,806,547
5	GVK Airport Developers Limited	Short term borrowings	1,100,000,000	120,099,852
		Short term borrowings repaid	177,078,000	1,252,715,359
6	Sutara Roads & Infra Limited	Investment in Subordinated Debt (Deemed Equity)	-	-
7	GVK Developmental Projects Pvt Ltd	Short term borrowings	792,413,375	959,128,748
		Short term borrowings repaid	264,025,000	579,000,000
8	Crescent EPC Projects & Technical Service Pvt Ltd	Other advances	220,000	-

## E. Balances outstanding

S. No.	Name of the related party	Nature of balances	31 March 2020	31 March 2019
1	GVK Power & Infrastructure Limited	Short Term Loan payable	(3,320,000)	(50,000)
2	GVK Deoli Kota Expressway Private Limited	Investment in Subordinated Debt (Deemed Equity)	3,757,421,220	3,460,348,637
		Investment in Equity Share Capital	456,892,000	456,892,000
3	GVK Bagodara Vasad Expressway Private Limited	Subordinated Debt	1,242,157,317	1,241,598,417
		Investment in Equity Share Capital	210,049,000	210,049,000
4	GVK Shivpuri Dewas Expressway Private Limited	Investment in Subordinated Debt (Deemed Equity)	141,793,374	133,397,036
		Investment in Equity Share Capital	9,999,000	9,999,000
5	GVK Gautami Power Ltd	Interest on loan	(1,561,212)	(1,561,212)
6	Mumbai International Airport Limited	Payable against reimbursement of Expenses	(306,768)	(306,768)
7	Pinakini Share & Stock brokers Ltd	Payable against Services Received	(552,787)	(552,787)



GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

8	Crescent EPC Projects & Technical Service Pvt Ltd	Other advances	220,000.00	-
9	GVK Developmental Projects Private Limited	Short term borrowing (Unsecured)	(908,517,123)	(380,128,748)
10	GVK Airport Developers Limited	Short term borrowing (Unsecured)	(1,656,134,493)	(733,212,493)
11	Sutara Roads & Infra Limited	Investment in Subordinated Debt (Deemed Equity)	60,000,000	60,000,000

23. The company has accumulated losses and its net-worth has been fully eroded, the company has incurred a net loss during the current and previous year(s) and net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date.

24. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

For Naresh Kathotia & Co  
Chartered Accountants  
Firm No. 0009451S

Naresh Kathotia  
Proprietor  
Membership No. 210864

Place: Secunderabad  
Date: 25.06.2020



For and on behalf of the Board of Directors  
GVK Transportation Private Limited

*P V Prasanna Reddy*  
P Venkata Prasanna Reddy  
Director  
(DIN:01259482)

*Sanjeev Kumar Singh*  
Sanjeev Kumar Singh  
Director  
(DIN:06820986)

GVK Transportation Private Limited

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees except for share data or otherwise stated)

8	Crescent EPC Projects & Technical Service Pvt Ltd	Other advances	220,000.00	-
9	GVK Developmental Projects Private Limited	Short term borrowing (Unsecured)	(908,517,123)	(380,128,748)
10	GVK Airport Developers Limited	Short term borrowing (Unsecured)	(1,656,134,493)	(733,212,493)
11	Sutara Roads & Infra Limited	Investment in Subordinated Debt (Deemed Equity)	60,000,000	60,000,000

23. The company has accumulated losses and its net-worth has been fully eroded, the company has incurred a net loss during the current and previous year(s) and net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date.

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Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

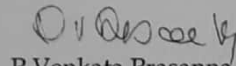
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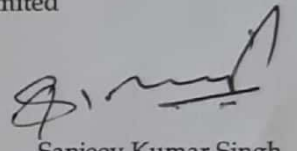
For Naresh Kathotia & Co  
Chartered Accountants  
Firm No. 0009451S

  
Naresh Kathotia

Proprietor  
Membership No. 210864

For and on behalf of the Board of Directors  
GVK Transportation Private Limited

  
P Venkata Prasanna Reddy  
Director  
(DIN:01259482)

  
Sanjeev Kumar Singh  
Director  
(DIN:06820986)

Place: Secunderabad  
Date: 25.06.2020

