

**Auditors' Report**

To

The Members,  
**GMR Aviation Private Limited**

We have audited the attached Balance Sheet of **GMR Aviation Private Limited** as at 31st March 2011, also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations give to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanation, 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 such books.

GURU  
& JANA  
CHARTERED ACCOUNTANTS

- c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2011 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2011 from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
  - (ii) In the case of the Profit and Loss Account, of the *profit* for the year ended on that date;
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for GURU & JANA,  
Chartered Accountants \_\_\_\_\_

**Annexure to the Auditors' Report**

The Annexure referred in the Auditor's report for the year ended 31<sup>st</sup> March 2011. We report that:

- i. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The Company has phased program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such program, the management has physically verified the fixed assets during the year and no material discrepancies were noticed on such verifications.

During the year, the Company has not disposed off substantially fixed assets.

- ii. The company is in the business of providing Aviation services. In view of the nature of activities of the Company, the provisions of paragraph 4(ii) of the said order are not applicable.
- iii. (a) In our opinion and 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 301 of the Companies Act, 1956.  
(b) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for the sale of services.



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During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- v. We are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 have been so entered. In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year had been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- vii. The Company has an in-house internal audit system which is in commensurate with the size and its nature of the business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- ix. (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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(c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, , custom duty, excise duty and cess which have not been deposited on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount(Rs)	Period for which it relates	Forum where dispute is pending
Customs Laws	Customs Duty	32 crores	2008-09	CESTAT

- x. The Company has been registered for less than five years and the Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth and the Company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to the financial institutions or banks.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities. Accordingly, clause 4(xii) of the order is not applicable.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the order is not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.

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xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.

xix. The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.

xx. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.

xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for GURU & JANA.  
Chartered Accountants

Sd/-

**GMR AVIATION PVT. LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2011**

(Amt in Rupees)

Particulars	Sch.No	31.03.2011	31.03.2010
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	864,400,000	864,400,000
b) Share Application Money		-	627,642,500
c) Reserves and Surplus		34,092,629	34,092,629
<b>2. Loan Funds</b>			
a) Secured Loans	2	1,350,072,452	2,850,055,046
<b>3. Debentures</b>			
	3	1,856,500,000	-
		<b>4,105,065,081</b>	<b>4,376,190,175</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	4	3,827,895,296	4,113,686,039
b) Less : Depreciation		467,402,612	345,661,642
c) Net Block		<b>3,360,492,685</b>	<b>3,768,024,396</b>
d) Capital Work-in-Progress (including Capital Advances)		324,154,655	182,974,904
		<b>3,684,647,340</b>	<b>3,950,999,300</b>
<b>2. Deferred Tax Asset</b>			
		92,712,300	93,597,190
<b>3. Current Assets, Loans and Advances</b>			
a) Sundry Debtors	5	140,206,629	102,492,973
b) Cash and Bank Balances	6	9,849,445	3,811,770
c) Loans and Advances	7	51,850,088	63,093,545
d) Other Current Assets	8	488,036	5,586,650
		<b>202,394,198</b>	<b>174,984,939</b>
<b>Less : Current Liabilities and Provisions</b>			
a) Liabilities	9	71,601,850	43,347,216
b) Provisions		2,071,261	1,259,793
		<b>73,673,111</b>	<b>44,607,009</b>
<b>Net Current Assets</b>			
		<b>128,721,087</b>	<b>130,377,930</b>
<b>4. Miscellaneous Expenditure</b>			
a) Deferred Revenue Expenditure	10	4,702,471	4,581,748
<b>5. Profit &amp; Loss Account</b>			
		194,281,884	196,634,007
		<b>4,105,065,081</b>	<b>4,376,190,175</b>
Statement on Significant Accounting Policies and Notes to the Accounts	16		

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date  
for **Guru & Jana**  
Chartered Accountants

for and on behalf of the Board

Sd/-  
**M.Surendra Reddy**  
Partner  
Membership No.215205  
Firm Registration No.006826S

Sd/-  
**A Subba Rao**  
Director

Sd/-  
**M R Reddy**  
Managing Director

Place : Bangalore  
Date : 2nd May, 2011

Sd/-  
**Shilpa Budhia**  
Company Secretary

**GMR AVIATION PVT. LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

(Amt in Rupees)

Particulars	Sch No	31.03.2011	31.03.2010
<b>I. INCOME</b>			
Operating Income	11	760,906,067	674,301,406
Other Income	12	5,786,888	11,536,893
		<b>766,692,955</b>	<b>685,838,300</b>
<b>II. EXPENDITURE</b>			
Operating Expenses	13	412,325,872	423,540,168
Administration and Other Expenditure	14	33,103,233	31,405,758
Finance Charges	15	118,164,361	204,640,616
Depreciation / Amortisation		199,125,744	184,003,136
		<b>762,719,210</b>	<b>843,589,678</b>
<b>III. Profit Before Taxation</b>		<b>3,973,745</b>	<b>(157,751,379)</b>
Provision for Taxation			
- Current Tax		736,732	-
- Deferred Tax		884,890	(50,454,854)
- Fringe Benefit Tax		-	-
<b>IV. Profit After Taxation</b>		<b>2,352,123</b>	<b>(107,296,525)</b>
Surplus brought forward from previous year		(196,634,007)	(89,337,482)
<b>VI. Available Surplus carried to Balance Sheet</b>		<b>(194,281,884)</b>	<b>(196,634,007)</b>

Basic Earnings per Share (Rs.)	0.03	(1.24)
Diluted Earnings per Share (Rs.)	0.02	(1.24)
No of Shares used in computing EPS		
Basic	86,440,000	86,440,000
Diluted	97,629,863	86,440,000

Statement on Significant Accounting Policies and  
Notes to the Accounts 16

*Schedules referred to above form an integral part of the Profit and Loss Account*

As per our report of even date  
for **Guru & Jana**  
Chartered Accountants

for and on behalf of the Board

Sd/-  
**M.Surendra Reddy**  
Partner  
Membership No.215205  
Firm Registration No.006826S

Sd/-  
**A Subba Rao**  
Director

Sd/-  
**M R Reddy**  
Managing Director

Place : Bangalore  
Date : 2nd May, 2011

Sd/-  
**Shilpa Budhia**  
Company Secretary

**GMR AVIATION PVT. LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED**

*(Amt in Rupees)*

SI No	Particulars	31.03.2011	31.03.2010
<b>A.</b>	<b><u>Cash Flow From Operating Activities</u></b>		
	Net Profit / ( Loss ) Before Tax and Extraordinary Items	3,973,745	(157,751,379)
	Adjustments for :		
	Depreciation	199,125,744	184,003,136
	Amortisation of Training Expenses	(120,723)	1,123,785
	Interest Income	(558,565)	(2,578,132)
	Finance Charges	118,164,361	204,640,616
	<b>Operating Profit Before Working Capital Changes</b>	<b>320,584,562</b>	<b>229,438,026</b>
	Adjustments for :		
	(Increase)/Decrease in Trade and other receivables	(23,193,782)	440,829,194
	Increase/(Decrease) in Trade & other Payables	29,066,102	(36,649,522)
	Increase/(Decrease) in working capital finance from bank		-
	Increase/(Decrease) in Deposit Loan from bank		
	<b>Cash generated from Operations</b>	<b>326,456,882</b>	<b>633,617,698</b>
	Income Taxes paid/(refund) during the year	1,085,465	9,030,703
	<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>327,542,347</b>	<b>642,648,401</b>
<b>B.</b>	<b><u>Cash Flow from / (Used In) Investing Activities</u></b>		
	(Purchase ) / Sale of Fixed Assets and Capital Advances ( Net )	67,226,217	(1,130,783,352)
	(Purchase)/Sale of Investments	-	-
	Interest Income Received	558,565	2,578,132
	<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>67,784,782</b>	<b>(1,128,205,219)</b>
<b>C.</b>	<b><u>Cash Flow from Financing Activities</u></b>		
	Proceeds from Secured Loan ( Net of repayment of loans )	(1,499,982,594)	1,018,809,897
	Proceeds from Debentures	1,856,500,000	-
	Redemption of Preference Share Capital	-	-
	Issue of equity shares	-	-
	Share application money received (net of refunds)	(627,642,500)	(367,200,000)
	Financial Charges paid	(118,164,361)	(204,640,616)
	<b>Net cash from/(used in) financing activities</b>	<b>(389,289,455)</b>	<b>446,969,281</b>
	<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>6,037,674</b>	<b>(38,587,537)</b>
	Cash and Cash Equivalents at the beginning of the year	3,811,771	42,399,308
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>9,849,445</b>	<b>3,811,771</b>

As per our report of even date

for **Guru & Jana**

Chartered Accountants

for and behalf of the Board

Sd/-

**M.Surendra Reddy**

Partner

Membership No.215205

Firm Registration No.006826S

Sd/-

**A Subba Rao**

Director

Sd/-

**M R Reddy**

Managing Director

Sd/-

**Shilpa Budhia**

Company Secretary

Place : Bangalore

Date : 2nd May, 2011

**GMR AVIATION PVT. LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amt in Rupees)

Particulars	31.03.2011	31.03.2010
<b>Schedule 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
100,000,000 Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
200,000 Preference Shares of Rs. 10/- each	2,000,000	2,000,000
	<b>1,002,000,000</b>	<b>1,002,000,000</b>
<b>Issued, Subscribed and paid up capital</b>		
86,440,000 Fully Paid up Equity Shares of Rs. 10/- each (2009: 86,440,000)	864,400,000	864,400,000
<i>The above capital is held by the holding company, GMR Infrastructure Limited.</i>		
	<b>864,400,000</b>	<b>864,400,000</b>
<b>Reserves and Surplus</b>		
Capital Reserve	34,092,629	34,092,629
	<b>34,092,629</b>	<b>34,092,629</b>
<b>Schedule 2</b>		
<b>SECURED LOANS</b>		
<b>Rupee Loans from Banks</b>	-	1,301,771,875
<i>(Secured by way of hypothecation of Aircraft and Guarantee issued by M/s GMR Infrastructure Ltd.)</i>		
<b>Rupee Loans from Financial Institutions</b>	390,000,000	390,625,000
<i>(Secured by way of hypothecation of Aircraft and Guarantee issued by M/s GMR Infrastructure Ltd.)</i>		
<b>Foreign Currency Loans</b>	929,865,944	1,073,062,592
<i>(Secured by way of hypothecation of Aircraft and Guarantee issued by M/s GMR Infrastructure Ltd.)</i>		
<b>Cash Credit</b>	30,206,508	30,838,987
<i>(Secured by way of hypothecation of Aircraft, charge over receivables and Guarantee issued by M/s GMR Infrastructure Ltd.)</i>		
<b>Deposit Loan</b>	-	53,756,591
<i>(Against the Deposit placed by one of the GMR Group Companies)</i>		
	<b>1,350,072,452</b>	<b>2,850,055,046</b>
<b>Schedule 3</b>		
<b>DEBENTURES</b>		
Debentures from GMR Infrastructure Limited	1,856,500,000	-
<i>(18565 no's Non- Marketable un secured redeemable Debantures of Rs 1,00,000/- each with an option to convert in to equity shares)</i>		
	<b>1,856,500,000</b>	<b>-</b>
<b>Schedule 5</b>		
<b>SUNDRY DEBTORS</b>		
<i>(Unsecured &amp; considered good)</i>		
Debts outstanding for a period less than six months		
Considered good	109,341,593	85,910,155
Considered Doubtful	-	-
Debts outstanding for a period more than six months		
Considered good	30,865,036	16,582,818
Considered Doubtful	-	-
	<b>140,206,629</b>	<b>102,492,973</b>

**GMR AVIATION PVT. LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011**

**Schedule 4**  
**FIXED ASSETS**

(Amt in Rupees)

Description	Rates	Gross Block					Depreciation				Net Block	
		As at 1-Apr-10	Additions	Adjustments	Deletions	As at 31-Mar-11	As at 01-Apr-10	For the Period	Deletions	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Aircraft (VT-VLN 117)	5.60%	1,259,164,190	-	-	-	1,259,164,190	188,013,529	70,513,195		258,526,724	1,000,637,466	1,071,150,660
Aircraft (VT-VLM)	5.60%	800,000,000			800,000,000	-	67,138,630	10,187,397	77,326,027	-	-	732,861,370
Aircraft (VT-BRK)	5.60%	1,369,258,404	-	(9,402,246)	-	1,359,856,158	29,876,144	76,990,122		106,866,266	1,252,989,892	1,339,382,260
Aircraft(VT-RSR)	5.60%	525,620,866			-	525,620,866	47,014,986	29,434,768		76,449,755	449,171,111	478,605,880
Helicopter (VT-MSV)	5.60%	152,643,517			-	152,643,517	12,084,348	8,548,037		20,632,385	132,011,132	140,559,169
Helicopter (VT-MRV)	5.60%	-	522,665,003			522,665,003	-	2,485,881		2,485,881	520,179,122	-
Vehicles	9.50%	1,028,000	726,624			1,754,624	146,356	114,681		261,037	1,493,587	881,644
Computers & Accessories	16.21%	1,338,915	81,000		101,100	1,318,815	354,458	227,183	58,747	522,895	795,920	984,457
Electrical Equipment	4.75%	201,000	74,910			275,910	25,794	84,443		110,236	165,674	175,206
Software	16.21%	2,669,343	62,026			2,731,368	790,473	436,997		1,227,470	1,503,898	1,878,870
Office Equipments	4.75%	414,550	69,235			483,785	15,485	20,727		36,212	447,573	399,065
Furniture and Fixtures	6.33%	1,347,255	33,806			1,381,061	201,438	82,313		283,751	1,097,309	1,145,817
<b>Total</b>		<b>4,113,686,039</b>	<b>523,712,604</b>	<b>(9,402,246)</b>	<b>800,101,100</b>	<b>3,827,895,296</b>	<b>345,661,642</b>	<b>199,125,744</b>	<b>77,384,775</b>	<b>467,402,612</b>	<b>3,360,492,685</b>	<b>3,768,024,396</b>
<b>Advance for Capital Goods</b>											<b>324,154,655</b>	<b>182,974,904</b>
<b>Net Fixed Assets</b>											<b>3,684,647,340</b>	<b>3,950,999,300</b>
<b>Previous Year</b>		<b>2,743,857,917.02</b>	<b>1,391,487,129.70</b>	<b>(21,659,008.00)</b>		<b>4,113,686,039</b>	<b>161,658,505.85</b>	<b>184,003,136</b>		<b>345,661,642</b>		

Note: Fixed assets includes foreign exchange fluctuations capitalized upto March 31, 2011 amounting to Rs.31,061,254 (2009: Rs.21,659,008) - Ref: Note 9 of Schedule 16.

**GMR AVIATION PVT. LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

(Amt in Rupees)

Particulars	31.03.2011	31.03.2010
<b>Schedule 6</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand (as certified by Management)	-	66,950
Balances with Scheduled Banks		
- On Current Account	6,254,570	114,320
- On Deposit Accounts	3,594,875	3,630,500
	<b>9,849,445</b>	<b>3,811,770</b>
<b>Schedule 7</b>		
<b>LOANS AND ADVANCES</b>		
<i>(Unsecured and considered good, unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received		
Considered good	15,192,788	27,313,929
Considered doubtful	-	-
Advance Tax (net of provisions)	19,555,841	17,733,644
Deposits	9,522,154	8,796,196
Prepaid Expenses	6,192,606	7,415,977
Others -Balance with service Tax	1,386,699	1,833,799
	<b>51,850,088</b>	<b>63,093,545</b>
<b>Schedule 8</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on Deposits	488,036	235,360
Insurance Claims Receivables	-	5,351,291
	<b>488,036</b>	<b>5,586,650</b>
<b>Schedule 9</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A) Liabilities</b>		
Sundry Creditors		
Dues to micro enterprises and small enterprises	-	-
Dues to other than micro enterprises and small enterprises	2,720,465	17,700,528
Others	30,546,172	10,089,835
Employees	307,704	-
Interest Accrued but not due	16,289,897	1,978,382
Other Liabilities	21,737,612	13,578,471
	<b>71,601,850</b>	<b>43,347,216</b>
<b>B) Provisions</b>		
Provisions for Gratuity	-	-
Provisions for Leave Encashment	2,071,261	1,259,793
	<b>2,071,261</b>	<b>1,259,793</b>
	<b>73,673,111</b>	<b>44,607,009</b>
<b>Schedule 10</b>		
<b>MISCELLANEOUR EXPENDITURE</b>		
<i>(To the extent not written off or adjusted)</i>		
Deferred Revenue Expenditure	4,702,471	4,581,748
<b>Total</b>	<b>4,702,471</b>	<b>4,581,748</b>

**GMR AVIATION PVT. LIMITED**  
**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

*(Amt in Rupees)*

<b>Particulars</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>Schedule 11</b>		
<b>OPERATING INCOME</b>		
Aircraft Charter Income	686,519,995	613,031,994
Outside Charter Income	72,236,072	46,113,606
Pilot Hire Income	2,150,000	15,155,806
	<b>760,906,067</b>	<b>674,301,406</b>
<b>Schedule 12</b>		
<b>OTHER INCOME</b>		
Interest on Deposits	558,565	2,578,132
Forex Exchange Gain	3,928,122	7,274,899
Miscellaneous Income	1,300,201	1,683,862
	<b>5,786,888</b>	<b>11,536,893</b>
<b>Schedule 13</b>		
<b>OPERATING EXPENSES</b>		
Fuel	93,368,573	65,344,356
Repairs & Maintenance	91,081,027	135,383,770
Insurance	12,946,314	15,133,441
Other Operating Expenses	57,325,530	51,882,568
Outside Charter Aailed	70,072,691	46,048,431
Salaries, Allowances and Benefits to employees	60,883,488	69,602,799
Contribution to Provident Fund and Others	3,309,749	4,183,407
Pilot Hiring Expenses	1,426,782	17,958,080
Travelling and Conveyance	21,911,718	18,003,317
	<b>412,325,872</b>	<b>423,540,168</b>
<b>Schedule 14</b>		
<b>ADMINISTRATION AND OTHER EXPENSES</b>		
Salaries, Allowances and Benefits to employees	11,837,920	12,092,209
Contribution to Provident Fund and Others	648,248	590,914
Staff welfare expenses	2,447,889	1,901,808
Rent	5,570,748	5,273,595
Rates and Taxes	2,420,905	4,753,072
Repairs and Maintenance	3,600,915	4,770,141
Insurance	541,407	97,036
Travelling and Conveyance	48,703	282,619
Consultancy and Professional Charges	125,000	220,800
Loss on Sale of Assets	1,466,325	-
Advances Written Off	1,581,135	-
Sales Commission	1,065,993	-
Miscellaneous Expenses	1,748,046	1,423,565
	<b>33,103,233</b>	<b>31,405,758</b>
<b>Schedule 15</b>		
<b>FINANCE CHARGES</b>		
Interest on Term Loan and Others	117,393,874	203,523,390
Bank and other finance charges	770,487	1,117,225
	<b>118,164,361</b>	<b>204,640,616</b>

## **GMR AVIATION PRIVATE LIMITED**

### **Schedule 16**

#### **Statement on Significant Accounting Policies and Notes to the Accounts**

##### **I. Significant Accounting Policies**

###### **1. Accounting Assumptions**

These Financial statements have been prepared under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual and amounts determined as payable or receivable during the year, except those with significant uncertainties and in accordance with the applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

###### **2. Revenue Recognition**

Revenue from charter services is recognized based on services provided and billed as per the terms of the contracts with the customers provided that the collection is reasonably certain. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

###### **3. Fixed Assets**

Fixed Assets are stated at cost of acquisition (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and freight, duties, levies and all other incidentals attributable to bringing the asset to its working condition for its intended use

Assets under installation or under construction and the related advances as at the Balance Sheet date are shown as Capital Work in Progress.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use or sale. Other borrowing costs not attributable to the acquisition of any capital asset or investments are recognized as expenses in the period in which they are incurred.

In respect of accounting periods commencing on or after 7th December, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

#### **4. Depreciation**

The Company provides depreciation on fixed assets on straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 except for assets costing less than Rs. 5,000, which are fully depreciated in the year of acquisition. Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is shorter. Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

#### **5. Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Current investments are valued at cost or market value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition.

Gains/losses, on investment in futures, both equity and index, being the difference between the contracted rate and the rate on the settlement or sale date, whichever is earlier, are recognized in the Profit and Loss Account on settlement/sale. The open contracts as at the year-end are marked-to-market and the resultant loss, if any, is charged to the Profit and Loss Account.

#### **6. Foreign Currency Transactions**

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011

In case of forward exchange contracts or any financial instruments not intended for trading or speculation, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract.

## **7. Cash Flow**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

## **8. Retirement benefits**

Retirement benefit costs for the year are determined on the following basis:

### **a) Defined Contribution Plans**

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

### **b) Defined Benefit Plan**

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense

### **c) Other Long term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation based on Projected Unit Credit Method carried out at each balance sheet date.

### **d) Short term employee benefits**

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognized as an expense as per Company's schemes based on the expected obligation on an undiscounted basis.

## **9. Earnings per Share**

### **Basic Earnings per Share**

The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

### **Diluted Earnings per Share**

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential equity shares.

## **10. Taxes on Income**

Tax expense comprises of current and deferred tax. Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences, being the difference between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years.

Deferred tax assets and liabilities are computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. 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 realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

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 realised. 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.

**11. Pilot Training Costs:**

The initial training expenditure of Pilots amortized over a period of five years in equal installments from the year of the expenditure.

In case if the employee is separated from the Company, the initial training expenses which were deferred shall be charged off to the Profit and Loss account in the year of separation.

## II. NOTES TO ACCOUNTS

### 1. Contingent Liabilities not provided for

Particulars	2011	2010
Bank Guarantees issued to Suppliers/service providers/Lenders	30,065,742	30,840,000
Customs	320,000,000	320,000,000
<b>Total</b>	<b>350,065,742</b>	<b>350,840,000</b>

### 2. Capital Commitments

Towards purchase of aircrafts Rs 1,630,682,500/- (2010: Rs. 1, 660,251,500/-)

### 3. Segment Reporting

The Company operates in single segment i.e. air charter operations and hence there are no reportable segments as per the requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

### 4. Related Party Transactions

a) Names of related parties and description of relationship:

(i)	Enterprises that control the Company	1. GMR Infrastructure Limited (GIL) (Holding Company) 2. GMR Holdings Private Limited (GHPL) (ultimate Holding Company)
(ii)	Fellow Subsidiary Companies	<b>Energy Sector:</b> GMR Energy Limited GMR Power Corporation Limited GMR Vemagiri Power Generation Limited GMR Energy Trading Limited GMR (Badrinath) Hydro Power Generation Private Limited GMR Mining and Energy Private Limited GMR Kamalanga Energy Limited GMR Consulting Services Private Limited GMR Rajahmundry Energy Limited GMR Coastal Energy Private Limited GMR Bajoli Holi Hydropower Private Limited GMR Chhattisgarh Energy Private Limited GMR Londa Hydropower Private Limited GMR Kakinada Energy Private Limited (Erstwhile Londa Hydro Power Private Limited) EMCO Energy Limited Badrinath Hydro Power Generation Private Limited GMR Gujarat Solar Power Private Limited (Erstwhile GMR Campus Private Limited) Himtal Hydro Power Co. Private Limited

	GMR Maharashtra Energy Limited
	GMR Bundelkhand Energy Private Limited
	GMR Uttar Pradesh Energy Private Limited
	SJK Powergen Limited
	GMR Indo-Nepal Power Corridors Limited
	GMR Indo-Nepal Energy Links Limited
	GMR Hosur Energy Limited
	Aravali Transmission Service Company Limited
	Maru Transmission Service Company Limited
	Energy- International Business
	GMR Upper Karnali Hydro Power Public Limited
	GMR Energy (Mauritius) Limited
	GMR Lion Energy Limited
	GMR Energy (Cyprus) Ltd
	GMR Energy (Netherlands) BV
	PT Dwikarya Sejati Utama
	PT Duta Sarana Internusa
	PT Barasentosa Lestari
	PT Unsoco
	Karnali Transmission Company Pvt. Ltd.
	Marsyangdi Transmission Company Pvt. Ltd.
	Homeland Energy Group Ltd
	<b>Airport Sector:</b>
	Delhi International Airport Private Limited
	Delhi Aerotropolis Private Limited
	East Delhi Waste Processing Co. Private Limited
	GMR Hyderabad International Airport Limited
	Hyderabad Menzies Air Cargo Private Limited
	Hyderabad Airport Security Services Limited
	GMR Hyderabad Airport Resource Management Limited
	GMR Hyderabad Aerotropolis Limited
	GMR Hyderabad Aviation SEZ Limited
	GMR Hyderabad Multiproduct SEZ Limited
	GMR Hotels and Resorts Limited
	Gateways for India Airports Private Limited
	Hyderabad Duty Free Retail Limited
	GMR Male International Airport Private Limited
	GMR Airport Handling Services Company Limited
	GMR Airport Developers Limited
	GADL (Mauritius) Limited
	GADL International Limited
	<b>Road Sector:</b>
	GMR Highways Limited
	GMR Tuni Anakapalli Expressways Private Limited
	GMR Tambaram Tindivanam Expressways Private Limited
	GMR Ambala Chandigarh Expressways Private Limited
	GMR Jadcherla Expressways Private Limited
	GMR Pochanpalli Expressways Limited
	GMR Ulundurpet Expressways Private Limited
	GMR Hyderabad Vijayawada Expressways Private Limited
	GMR OSE Hungund Hospet Highways Private Limited
	GMR Chennai Outer Ring Road Private Limited
	<b>Property Sector:</b>

		GMR Krishnagiri SEZ Limited
		Advika Properties Private Limited
		Aklima Properties Private Limited
		Amartya Properties Private Limited
		Baruni Properties Private Limited
		Camelia Properties Private Limited
		Eila Properties Private Limited
		Gerbera Properties Private Limited
		Lakshmi Priya Properties Private Limited
		Honeysuckle Properties Private Limited
		Idika Properties Private Limited
		Krishnapriya Properties Private Limited
		Nadira Properties Private Limited
		Prakalpa Properties Private Limited
		Purnachandra Properties Private Limited
		Shreyadita Properties Private Limited
		Sreepa Properties Private Limited
		Bougianvillea Properties Pvt Ltd
		GMR SEZ & Port Holdings Private Limited (erstwhile GMR Oil & Natural Gas Private Limited)
		Deepesh Properties Pvt Ltd
		Padmapriya Properties Pvt Ltd
		Kakinada SEZ Private Limited
		<b>Corporate Sector:</b>
		GMR Airports Holding Limited
		GMR Corporate Affairs Private Limited
		GMR Aviation Private Limited
		GMR Corporate Center Limited
		Dhruvi Securities Private Limited
		GMR Renewable Energy Limited
		GMR Power Infra Limited
		<b>International Business Division:</b>
		GMR Infrastructure (Mauritius) Limited
		GMR Infrastructure (Cyprus) Limited
		GMR Infrastructure Overseas Sociedad Limitada
		GMR Infrastructure (UK) Limited
		GMR International (Malta) Limited
		GMR Infrastructure (Global) Limited
		GMR Infrastructure (Singapore) PTE. Limited
		GMR Energy (Global) Limited.
		Island Power Intermediary PTE. Limited
		Island Power Company PTE. Limited
		Island Power Supply PTE. Limited
		GMR Infrastructure Investments (Singapore) Pte. Ltd.
		GMR Energy Projects (Mauritius) Limited
		GMR Holdings Overseas Spain S.L.U.
(iii)	Enterprises under the same management	1. GMR Industries Ltd (GIDL)
		2. Raxa Security Services Ltd (RSSL)
(iv)	Key Management Personnel and their relatives	1. Mr. G.B.S Raju
		2. Mr. A Subbarao
		3. Mr. Adiseshavataram Cherukupalli
		4. Mr.M.R. Reddy



a) Summary of transactions with the above related parties is as follows:

(Amount in Rupees)

Income from services rendered to Related parties

Nature of Transaction	2011	2010
✓ Holding Company- GMR Infrastructure Ltd	6,132,000	2,937,500
✓ Fellow subsidiaries		
GMR Energy Ltd	(12,194,458)	193,358,569
GMR Bajoli Holi Hydropower Pvt., Ltd.,	-	9,599,500
GMR Jadcherla Expressways Pvt. Ltd.,	3,209,500	3,782,500
GMR Kamalanga Energy Ltd.,	-	45,603,296
GMR Pochanpalli Expressways Pvt. Ltd.,	3,868,000	4,734,000
GMR Power Corporation Pvt. Ltd.,	-	5,244,000
GMR Tambaram Tindivanam Expressways Pvt Ltd.,	3,339,320	8,242,497
GMR Tuni Ankapalli Express Ways Ltd	2,189,831	8,309,322
GMR Ullundurpet Expressways Pvt. Ltd.,	-	4,164,000
Delhi International Airports Pvt Ltd	169,090,080	91,070,510
GMR Airport Holding Private Limited	28,216,714	3,349,000
GMR Chattisgarh Energy Private Limited	57,379,551	10,437,000
GMR Consulting Engineers Private Limited	-	2,421,550
GMR Corporate Affairs Private Limited	-	57,523,729
GMR Hyderabad Vijayawada Expressways Private Limited	-	21,886,437
GMR Sports Private Limited	-	3,965,500
GADL (Isle of man) Ltd.,	7176,757	-
GMR EMCO Energy Limited	67,602,383	-
GMR Gujarat Solar Power Private Limited	4,436,000	-
GMR Highways Private Limited	7,368,000	-
GMR Hyderabad International Airport Ltd.,	67,992,833	-
GMR Infra UK Ltd	5,501,334	-
GMR Infrastructure (Mauritius) Limited	37,257,692	-
GMR Male International Airport Pvt., Ltd.,	5,400,000	-
GMR Rajahmundry Energy Limited	96,862,658	-
GMR Varalakshmi Foundation	568,000	-
<b>Total</b>	<b>561,396,195</b>	<b>478,128,911</b>
✓ <b>Enterprises under the same management -</b> GMR Industries Ltd	550,000	1,500,000
<b>Fees paid for Services rendered by:</b>		
✓ Enterprises under the same management		
1. Raxa Securities Services Ltd	196,474	11,187,020
2. GMR Hyderabad International Airport Limited	359,048	504,801
3. Delhi International Airport Limited	3,691,123	2,037,442
4. GMR Entreprises Ltd	132,000	-

<b>Share application money received from:</b>		
1. Holding Company (GMR Infrastructure Ltd)	1,125,000,000	122,150,000
<b>Share application money refunded to</b>		
1. Holding Company (GMR Infrastructure Ltd)	146,142,500	489,350,000
<b>Balance Payable/(Recoverable)</b>		
1. Fellow Subsidiaries	(90,632,912)	(33,932,696)

**Notes:**

- Includes allotment of equity shares out of Share Application money paid in earlier years.
- Transactions and outstanding balances in the nature of reimbursement of expenses incurred by one company on behalf of the other have not been considered above.

**5. Earnings Per Share (EPS)**

Calculation of EPS – (Basic and Diluted)

Particulars	2011	2010
Nominal Value of Equity Shares (Rs. per Share)	10	10
Total number of Equity Shares outstanding at the beginning of the year	86,440,000	86,440,000
Add: Issue of Equity Shares	-	-
Total number of Equity Shares outstanding at the end of the year	86,440,000	86,440,000
<b>Weighted average number of Equity Shares outstanding at the end of the year(Basic)</b>	<b>86,440,000</b>	<b>86,440,000</b>
<b>Weighted average number of Equity Shares outstanding at the end of the year(Diluted)</b>	<b>97,629,863</b>	<b>86,440,000</b>
<b>Net Profit (loss) after tax</b>	<b>2,352,123</b>	<b>(107,296,525)</b>
<b>EPS – Basic (Rs.)</b>	<b>0.03</b>	<b>(1.24)</b>
<b>EPS –Diluted (Rs.)</b>	<b>0.02</b>	<b>(1.24)</b>

**6. Deferred Tax Asset (net) as at March 31, 2011 comprises of:**

(Amount in Rupees)

S. No	Particulars	2011		2010	
		Deferred tax Asset	Deferred tax liability	Deferred tax Asset	Deferred tax liability
1	Depreciation		686,297,663		565,333,432
2	Unabsorbed Loss	770,545,933		658,459,204	
3	Preliminary Expenses			10,667	
4	Provisions for Leave Encashment	640,019		3,88,127	
5	Provisions for Gratuity				
6	Provision for Bonus	182,999		179,381	
7	Prepaid Gratuity		299,450		
8	Deferred Training Expenses		1,453,063		1,415,760
9	Expenses on which Tax is not deducted	9,393,522		1,309,003	
<b>Total</b>		<b>780,762,475</b>	<b>688,050,176</b>	<b>660,346,382</b>	<b>566,749,192</b>
<b>Deferred tax Asset (net)</b>		<b>92,712,299</b>		<b>93,597,190</b>	

**7. Managerial Remuneration:**

(Amount in Rupees)

Particulars	2011	2010
Salaries	2,750,006	2,229,500
<b>Total</b>	<b>2,750,006</b>	<b>2,229,500</b>

**8. Remuneration to Auditors**

(Amount in Rupees)

Particulars	2011	2010
Audit fees (including Service Tax)	137,875	110,300
Other certification fees (including Service Tax)	52,394	72,000
<b>Total</b>	<b>190,269</b>	<b>1,82,300</b>

9. The Ministry Of Corporate Affairs, Government of India has vide its Notification No. GSR 225(E) dated 31<sup>st</sup> March, 2009 has announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on "The Effects of changes in Foreign Exchange Rates".

The Company has, pursuant to the adoption of such principles of Companies (Accounting Standards) Amendment Rules 2009, exercised the option of recognizing the exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable fixed assets in so far such exchange difference arose on foreign currency monetary items relating to the acquisition of depreciable asset as below:

- a) An amount of Rs.9,402,246 (PY Rs 21,659,008) being the exchange gain arising in the financial year ended March 31, 2011 has now been decreased from the cost of the depreciable asset [Aircraft (VT-BRK)].

10. The company has entered into a forward contract with Axis bank to hedge its interest risks associated with fluctuations in interest rates on foreign currency loan. The use of forward contract is covered by the company's overall strategy. The company does not use forward covers for speculative purpose.

The following table provides the interest rate; pre & post hedging:

Prior to Hedging	Post Hedging
6 Months LIBOR + 115 BPS	3.66% (All in Cost)

**11. Expenditure in Foreign Currency**

(Amount in Rupees)

Particulars	2011	2010
Traveling expenses	10,436,814	7,365,780
Professional and Consultancy charges	-	3,669,266
CIF value of Capital Goods imported	506,012,054	1,308,190,773
Interest	7,964,304	25,969,658
Repayment of ECB Loan to Dassault Aviation	130,384,433	-
Others	220,070,629	143,572,175
<b>Total</b>	<b>874,868,234</b>	<b>1,488,767,652</b>

12. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D to the extent either Nil or Not Applicable has not been furnished.
13. During the year the company purchased one Bell-412 Helicopter (VT MRV) and commenced its operations on 1<sup>st</sup> March 2011.
14. One of the aircrafts of the company i.e Falcon 2000 Ex Easy was seized by the customs authorities in 7th July, 2008 on the grounds of violation of Notification No. 21/ 2002 cus dt 01-3-2002 as amended by Notification No. 61/2007 cus dt. 3-5-2007. On submission of Bond for Rs.112 crores and a Bank Guarantee of Rs.32 crores, the customs authorities issued the release order on 16th July, 2008 and on the same day the company received the aircraft from the Customs Department. After considering the submissions made by us and the personal hearing before Commissioner of Customs (Preventive) an Order was issued in our favour dropping all the proposals initiated in the show cause notice. Accordingly, we requested the Commissioner of Customs (Preventive) to release and return the Bank Guarantee. The bank guarantee is not renewed as there is no confirmed liability against the company. Meantime the department preferred appeal along with stay application before CESTAT, New Delhi. Stay is refused. Main appeal is pending in the CESTAT.
15. There are no dues to the creditors under MSMED Act 2006.
16. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the Current year.

*For and on behalf of the Board of Directors*

*For Guru & Jana,*  
**Chartered Accountants**

**M.Surendra Reddy**  
Partner  
Membership No. 215205  
Firm Registration No: 006826S

**A Subba Rao**  
Director

**M R Reddy**  
Managing Director

Place: Bangalore  
Date: 2<sup>nd</sup> May 2011

**Shilpa Budhia**  
Company Secretary

**GMR AVIATION PVT. LIMITED**

Balance Sheet Abstract and Company's General Business Profile

(Amt in Rupees)

1	Registration Details			
	Registration No.	U62200KA2006PTC041278		
	State Code	08	Balance Sheet Date	31-Mar-11
2	Capital Raised during the year			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	-
3	Position of Mobilisation and Deployment of Funds ( Amount in Rs. Thousands)			
	<b>Total Liabilities</b>	<b>4,105,065</b>	<b>Total assets</b>	<b>4,105,065</b>
	<b>Sources of Funds</b>			
	Paid - Up Capital	864,400	Reserves & Surplus	34,093
	Secured Loans	1,350,072	Unsecured Loans	-
	Deferred Tax Liability	-	Unsecured Debentures	1,856,500
	<b>Application of Funds</b>			
	Fixed Assets	3,360,493	Investments	-
	Capital Work In Progress ( including Capital Advances )	324,155	Deferred Tax Asset	92,712
	Net Current Assets	128,721		
	Deferred Revenue Expenditure	4,702	Accumulated Losses	194,282
4	Performance of company ( Amount in Rs. Thousands)			
	Gross Income	766,693	Total Expenditure	762,719
	+ / - Profit / Loss Before Tax	3,974	+ / - Profit / Loss After Tax	2,352
	Loss Per Share in Rs.	0.03	Dividend Rate %	Nil
5	Generic Names of Three Principal Products / Services of Company (as per monetary terms)			
	Item Code No. :	N.A		
	Product Description	N.A		

As per our report of even date  
for **GURU & JANA**  
Chartered Accountants

for and on behalf of the Board

Sd/-  
**M.Surendra Reddy**  
Partner  
Membership No.215205  
Firm Registration No.006826S

Sd/-  
**A Subba Rao**  
Director

Sd/-  
**M R Reddy**  
Managing Director

Place : Bangalore  
Date : 2nd May, 2011

Sd/-  
**Shilpa Budhia**  
Company Secretary