

AUDITORS' REPORT

TO THE MEMBERS OF GMR KAKINDA ENERGY PRIVATE LIMITED

We have audited the attached Balance Sheet of **GMR KAKINADA ENERGY PRIVATE LIMITED** ('the Company') as at 31st March 2011 and the Profit and Loss account and Cash Flow Statement, annexed thereto for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

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

1. We have obtained all the information and explanations which to the best of Our Knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account, as required by law have been kept by the company, so far as appears from our examination of the books.
3. The said Balance Sheet, the Profit & Loss Account & the cash flow statement are in agreement with books of account.
4. In our opinion, the Balance Sheet, the Profit & Loss Account & the cash flow statement complies with the mandatory Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956, and
5. On the basis of written representations received from the directors as at 31st March 2011 and taken on record by the board of directors, we report that none of the directors is disqualified as at 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956.

**GIRISH
MURTHY & KUMAR**
Chartered Accountants

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, together with and subject to notes annexed thereto, give the information required, and give a true and fair view:

- a. In the case of Balance Sheet of the state of affairs of the company as at 31st March 2011; and
- b. In the case of the Profit & Loss Account, of the loss incurred during the Period ended on that date
- c. In case of the Cash Flow Statement, of the cash flows for the year ended on that date

PLACE : BANGALORE

DATE : 4th May,2011

FOR GIRISH MURTHY & KUMAR
Chartered Accountant

(A.V SATISH KUMAR)
Partner.

ANNEXURE TO THE AUDITORS' REPORT

As required by the Companies (Auditors report) order, 2003 issued by the company law board, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of our audit, we report that: -

- i) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- ii) The company has not purchased any fixed assets from inception.As such reporting requirement under this clause does not arise
- iii) The company has not commenced its operations and therefore had no stocks of finished goods, stores, spare parts and raw materials during/ at the end of the year.
- iv) The company has taken loans from companies listed in the register maintained under section 301 of the Companies Act, 1956.The maximum amount involved during the year and year-end balance of such loans aggregates to Rs 4.42 crores and Rs 4.42 crores , respectively.
- v) In our opinion, the rate of interest and other terms and conditions of suck loan are not prejudicial to the interest of the company.
- vi) The company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the companies act 1956.
- vii) The company is yet to commence its operations and has not purchased raw materials or components during the year. In our opinion, for the purchase of assets there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. Further we have not noticed any evidence of persisting failures to correct major weakness in internal control.
- viii) In our opinion and according to the information and explanations given to us the company has not entered into any contract falling under Section 297 of the companies act. As such there is no need to enter any particulars of transaction in the Register in pursuance of section 301 of the act.
- ix) The company has not accepted deposits from the public during the year to which the provisions of section 58A and 58AA of the companies Act, 1956 and the rules framed there under are applicable.
- x) In our opinion, the company's present Internal Audit system is commensurate with the size and nature of its business.

**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- xi) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the companies act, 1956.
- xii) According to the information and explanations given to us and the records of the company examined by us, in our opinion the Company is generally regular in payment of undisputed statutory dues of income tax with appropriate authorities. We are informed by the company that the provisions of provident fund ,investor education and protection fund, sales tax, excise, customs, Service tax are not applicable
- xiii) According to the information and explanations given to us and the records of the company examined by us there are no undisputed/disputed amounts payable in respect of income tax as at 31st march 2011, which are outstanding for a period of more the than six months from the date they become payable.
- xiv) The company has not granted any loans/advances on the basis of security by way of shares, debenture etc. As such no records and documents have been maintained.
- xv) The Company is having any accumulated losses of Rs 89,672/as at March 31,2011 and the company has incurred a cash loss of Rs 53,979/ during this year and incurred a cash loss of Rs 35693/ in the preceding financial year.
- xvi) The company has not taken any term loans from any body. As such reporting requirement under this clause does not arise.
- xvii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xviii) In our opinion, the company is not dealing or trading in shares, debentures and other investments and as such no records have been maintained.
- xix) We have been informed by the company that it has not given any guarantee for any loans taken by the others from banks and financial institutions.
- xx) In our opinion, and on the basis of our examination and according to the information and explanations given to us, on an overall examination of the balance sheet of the Company, we report that during the year, prima facie, the Company has not used funds raised on short- term basis for long-term investment. .
- xxi) No Preferential allotment of shares is made by the company to parties and companies covered in the registers maintained under section 301 of the act.
- xxii) The company has not issued any debentures and therefore no securities have been created.

**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- xxiii) During the course of examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in india and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company during the year.
- xxiv) The company is not covered under special statutory provisions applicable to the chit fund, Nidhi or mutual benefit societies.
- xxv) According to the information and explanations given to us and based on such examination, we are of the opinion that other provisions of the Companies (Auditors' report Order) 2003 are not applicable for the year covered under this report.

PLACE : BANGALORE

FOR GIRISH MURTHY & KUMAR
Chartered Accountant

DATE : 4th May,2011

(A.V SATISH KUMAR)
Partner.

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydro Power Private Limited)
Balance Sheet as at 31st March, 2011

Amount in Rupees

Particulars	Sch. No.	31st March, 2011		31st March, 2010	
I. Sources of Funds:					
1. Shareholders' Funds					
(a) Capital	1		100,000		100,000
2. Loan Funds	3				
(a) Secured Loans				-	-
(b) Unsecured Loans		44,200,000	44,200,000		
Total			44,300,000		100,000
II. Application of Funds:					
1. Fixed Assets	4				
(a) Gross Block				-	-
(b) Less : Depreciation				-	-
(c) Net Block					
(d) CWIP (including capital advances)	5		6,386,209		15,645
2. Current Assets, Loans and Advances					
(a) Cash and Bank Balances	6	1,168,780		59,692	
(b) Sundry Debtors				-	
(c) Loans and Advances	7	36,805,802		-	
			37,974,582	59,692	
Less : Current Liabilities and Provisions					
(a) Liabilities	8	150,463		11,030	
(b) Provisions	8			-	
		150,463		11,030	
Net Current Assets			37,824,119		48,662
3. Profit and Loss Account	2		89,672		35,693
Total			44,300,000		100,000
Statement on Significant Accounting policies and Notes to the Accounts	10				

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

This is the Balance Sheet referred to in our report of even date.

For Girish Murthy & Kumar
Chartered Accountants

For and on behalf of the Board of Directors

A V Satish Kumar
Partner
Membership Number : 26526
Firm Registration Number: 000934S
Place: Bangalore
Date: 4th May, 2011

G Subba Rao Avinash Shah
Director Director
Place: Bangalore
Date: 4th May, 2011

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydro Power Private Limited)
Profit and Loss Account for the year ended 31st March, 2011

Amount in Rupees

Particulars	Schedule	31st March, 2011	31st March, 2010
I. Income			
Sales			
Other Income		-	-
		-	-
II. Expenditure			
Administration expenses	9	53,979	35,693
Interest and Finance Charges			
Depreciation			
Loss on Sale/Disposal/Impairment of Asset		-	
		53,979	35,693
III. Profit/(Loss) Before Taxation		(53,979)	(35,693)
Provision for Taxation			
- Current			
- Deferred			
IV. Profit/(Loss) After Taxation		(53,979)	(35,693)
Surplus/(Defecit) brought forward		(35,693)	-
V. Available for Appropriation		(89,672)	(35,693)
VI. Available surplus carried to Balance Sheet		(89,672)	(35,693)
Earning per Share -Basic & Diluted		(5.40)	(3.57)

The Schedules referred to above form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date.

For Girish Murthy & Kumar
Chartered Accountants

For and on behalf of the Board of Directors

A V Satish Kumar
Partner
Membership Number : 26526
Firm Registration Number: 0009345
Place: Bangalore
Date: 4th May, 2011

G Subba Rao Avinash Shah
Director Director

Place: Bangalore
Date: 4th May, 2011

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydro Power Private Limited)
Cash flow statement for the year ended 31st March, 2011

(Amount in Rupees)

Particulars	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	(53,979.00)	(35,693)
Operating Profit Before Working Capital Changes	-	-
Cash generated from Operations	(53,979)	(35,693)
Loss on Sale/Disposal/Impairment of Asset	-	-
Net Cash Flow from/ (used in) Operating Activities	(53,979)	(35,693)
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale/Disposal of Fixed Asset	-	-
Inflow/(outflow) from changes in trade and other receivables (S Drs & Loans & Advs)	(36,805,802)	-
Changes in Trade Payables	139,433	-
CWIP (including Capital Advances)	(6,370,564)	(4,615)
Net Cash from/ (used in) Investing Activities	(43,036,933)	(4,615)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds(Repayment) of Loan from Yes Bank	-	-
Proceeds(Repayment) of ICD/NCD	44,200,000	-
Proceeds from issue of share capital	-	-
Net Cash from Financing Activities	44,200,000	-
Net increase in Cash and Cash Equivalents	1,109,088	(40,308)
Cash and Cash Equivalents at the beginning of the year	59,692	100,000
Cash and Cash Equivalents at the end of the year	1,168,780	59,692
Notes:		
1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.		
2. Previous year's figures have been regrouped and reclassified to conform to those of the current year		

This is the Cash Flow Statement referred to in our report of even date

For Girish Murthy & Kumar
Chartered Accountants

For and on behalf of the Board of Directors

A V Satish Kumar
Partner
Membership Number : 26526
Firm Registration Number: 0009345
Place: Bangalore
Date: 4th May, 2011

G Subba Rao Avinash Shah
Director Director
Place: Bangalore
Date: 4th May, 2011

GMR Kakinada Energy Private Limited

(Formerly known as Londa Hydro Power Private Limited)

Schedules forming part of the Balance Sheet as at 31st March, 2011

Amount in Rupees

Schedule 1: Share capital	31st March, 2011	31st March, 2010
a. Authorised Capital (10,000 Shares of Rs.10/- each)	100,000	100,000
	100,000	100,000
b. Issued, subscribed and paid up (10,000 Shares of Rs.10/- each) (out of which 9900 shares of Rs.10/- each are held by GMR Energy Ltd holding company)	100,000	100,000
Total	100,000	100,000

Amount in Rupees

Schedule 2: Profit and Loss Account (Dr Balance)	31st March, 2011	31st March, 2010
Profit and Loss Account		
At the Commencement of the year	35,693	
Add: (Profit)/ Loss Transferred from Profit & Loss Account	53,979	35,693
Total	89,672	35,693

Amount in Rupees

Schedule 3: Loans	31st March, 2011	31st March, 2010
(a) Secured Loan	-	-
Total Secured Loan	-	-
(b) Unsecured Loan Inter Corporate Deposits (from the Holding company GEL)	44,200,000	-
Total Unsecured Loan	44,200,000	-
Total	44,200,000	-

Amount in Rupees

Schedule 5: Capital Work in Progress	31st March, 2011	31st March, 2010
A) Capital Advances	-	-
Interest Others	971,605	-
Rent	151,666	-
Rates and Taxes	1,544	-
Bank/ other finance charges	11,000	6,600
Consultancy & Professional Charges	5,145,947	-
Meetings & Seminars	11,891	-
Travelling and conveyance	66,268	-
Printing & Stationery	26,286	9,045
Miscellaneous Income	2	-
Subtotal (B)	6,386,209	15,645
Grand Total (A) + (B)	6,386,209	15,645

GMR Kakinada Energy Private Limited

Schedules forming part of Balance Sheet as at March 31, 2011

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Schedule 4 UNSECURED LOANS	March 31, 2011
Short Term	
From Banks	-
From Body Corporate	-
Book OD	-
Cash Credits - From Banks - Rupee Loans	-
Cash Credits - From Banks - Foreign Currency Loans	-
Group Companies	44,200,000.00
Others	-
Shareholders	-
Suppliers Credit	-
Other than Short Term	
Body Corporate	-
From Banks	-
Interest free Loan from Government of Andhra Pradesh	-
Deposit from Concessionaires	-
Un Secured Loans - Deposits Received	-
From Financial Institutions	-
From Others	-
	44,200,000.00

Unsecured Loans	44,200,000.00
Check	TRUE

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GMR Kakinada Energy Private Limited
 (Formerly known as Londa Hydro Power Private Limited)
 Schedules forming part of the Balance Sheet as at 31st March, 2011

Amount in Rupees

Schedule 6: Cash and Bank Balances	31st March, 2011	31st March, 2010
Cash on Hand	-	-
Balances with scheduled banks		
- Current accounts	1,168,780	59,692
Total	1,168,780	59,692

Amount in Rupees

Schedule 7: Loans & Advances	31st March, 2011	31st March, 2010
(Unsecured and considered good, unless otherwise stated)		
Loans to Employees	-	-
Advances recoverable in cash or in kind or for value to be received		
- Considered good	36,805,802	-
Total	36,805,802	-

Amount in Rupees

Schedule 8: Current Liabilities and Provisions	31st March, 2011	31st March, 2010
a. Current Liabilities		
Sundry creditors:		
I. Dues to Micro and small scale industrial undertakings	-	-
II. Dues to other than Micro and small scale industrial undertakings	19,853	9,927
Retention Money	25,481	-
Other liabilities	105,129	1,103
Total	150,463	11,030
b. Provisions		
Provision for outstanding expenses	-	-
Total	-	-

Amount in Rupees

Schedule 9: Administration Expenses	31st March, 2011	31st March, 2010
Statutory Audit Fees	35,296	22,060
Audit Fees - Others	16,545	-
Rates & Taxes	1,934	5,718
Consultancy Charges	204	7,915
Total	53,979	35,693

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule – 10

6. 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. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Cost of acquisition is inclusive of expenditure incidental to acquisition.

7. Borrowing Costs

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets till the period such assets are ready to put to use. 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 recognised as expenses in the period in which they are incurred.

8. Retirement Benefits

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Group makes monthly contributions and has no further obligations under such plans beyond its contributions.

b) Defined Benefit Plan

The liability as at the Balance Sheet date is provided for based on the actuarial valuation, under 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 recognised immediately in the Profit and Loss account as an income or expense.

c) Other Long term employee benefits

Employee benefits including 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 method of Projected Unit Credit carried out at each Balance Sheet date. Actuarial Gains and Losses are recognised immediately in the Profit and Loss account as an income or expense.

d) Short term employee benefits

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



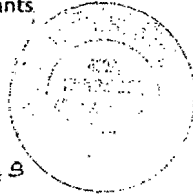
GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule – 10

11. Previous year's Figures have been re-grouped & reclassified, wherever necessary, to confirm to those of current year.

For Girish Murthy & Kumar
Chartered Accountants

A Y Satish Kumar
Partner
M.No.26526
F.R.N : 0009349



For and on behalf of Board of Directors

G Subba Rao
Director

Avinash Shah
Director

Place: Bangalore
Date : 04th May, 2011

Place: Bangalore
Date : 04th May, 2011

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule – 10

6. Earnings per Share (EPS):

Particulars	31 st March 2011	31 st March 2010
Nominal value of Equity Shares(Rs. Per share)	10	10
Total No. of Equity Shares outstanding at the beginning of the Period/Year	10,000	10,000
Total No. of Equity Shares outstanding at the end of the Period/Year	10,000	10,000
Weighted average No. of Equity shares for Basic earnings per Share	10,000	10,000
Profit as per Profit and loss Account	(53,979)	(35,693)
Less: Dividend on Preference shares (including tax thereon)	-	-
Profit/ (Loss) for Earning per share	(53,979)	(35,693)
Earnings per Share (EPS)	(5.4)	(3.57)

7. Additional information pursuant to Para 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

Expenditure in Foreign Currency

(Amount in Rupees)

Particulars	31 st March 2011	31 st March 2010
Foreign Travel	Nil	Nil
Bank charges on forex remittance	Nil	Nil
Consultancy payments	Nil	Nil
Total	Nil	Nil

8. Balances shown under Loans and Advances Creditors and Advances to suppliers are subject to confirmation and reconciliations.

9. There are no micro and small enterprises to which the company owes dues which are outstanding for more than 45 days as at March 31 2011. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

10. Segment Reporting

The company is engaged primarily in the business of setting and running of Power plant. As the basic nature of the activities is governed by the same set of risk and returns these have been grouped as a single business segment. Accordingly separate primary and secondary segment reporting disclosures as envisaged in Accounting Standard (AS-17) on Segmental Reporting issued by the ICAI are not applicable to the present activities of the company.

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule - 10

		35. GMR Indo-Nepal Energy Links Limited
		36. Aravali Transmission Service Company Limited
		37. Maru Transmission Service Company Limited
(iii)	Enterprises where significant influence exists	
(iv)	Enterprises where key management personnel and their relative exercise significant influence	
(v)	Key Management Personnel	

* Lion Energy Tuas Pte Ltd, Singapore has been wound up w.e.f October 05, 2010

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

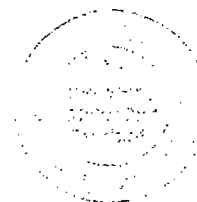
Particulars	(Amount in Rupees)	
	31 st March 2011	31 st March 2010
i) ICD Received from - GMR Energy Limited Enterprises that Control the Company	4,42,00,000	Nil
ii) Interest Paid to - GMR ENERGY LTD Enterprises that Control the Company	9,71,604	Nil
ii) Shares application money received Enterprises that Control the Company - GEL	Nil	Nil
iii) Equity Share capital Enterprises that Control the Company - GEL	Nil	Nil

b) Closing balances with the above related parties is :-

Particulars	(Amount in Rupees)	
	31 st March 2011	31 st March 2010
i) ICD Received from - GMR Energy Limited Enterprises that Control the Company	4,42,00,000	Nil

Notes:

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.



GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule – 10

5. Related Party transactions

GMR Kakinada Energy Private Limited- Related parties		
(i)	Enterprises that control the Company	GMR Energy Limited (GEL) (Holding Company) GMR Renewable Energy Limited (GREL) GMR Infrastructure Limited (GIL) GMR Holdings Private Limited (GHPL)
(ii)	Fellow Companies Subsidiary	<ol style="list-style-type: none"> 1. GMR Kamalanga Energy Limited 2. GMR Power Corporation Limited (GPCL) 3. GMR Mining & Energy Private Limited (GMEPL) 4. GMR (Badrinath) Hydro Power Generation Limited (GBHPL) 5. GMR Consulting Services Private Limited (GCSPL) 6. Himtal Hydropower Company Private Limited (HHCPL) 7. GMR Energy (Mauritius) Limited (GEML) 8. GMR Upper Karnali Hydropower Company Public Limited (GUKCPL) 9. GMR Lion Energy Limited (GLEL) 10. GMR Chhattisgarh Energy Limited (GCEL) 11. GMR Bajoli Holi Hydropower Private Limited (GBHHPL) 12. GMR Londa Hydropower Private Limited (GLHPL) 13. GMR Energy (Cyprus) Limited (GECL) 14. GMR Energy (Netherlands) B. V. (GENBV) 15. GMR Coastal Energy Private Limited (GMRCEPL) 16. Badrinath Hydro Power Generation Pvt. Ltd (BHPL) 17. PT Barasentosa Lestari (PT BSL), Indonesia 18. PT Dwikarya Sejati Utama (PT DSU), Indonesia 19. PT Dutasarana Internusa (PT DSI), Indonesia 20. PT Unsoco, Indonesia 21. EMCO Energy Limited 22. GMR Rajahmundry Energy Limited 23. GMR Vemagiri Power Generation Limited 24. SJK Powergen Limited 25. Lion Energy Tuas Pte Ltd, Singapore * 26. GMR Maharashtra Energy Limited 27. GMR Bundelkhand Energy Private Limited 28. GMR Uttar Pradesh Energy Private Limited 29. Karnali Transmission Company Pvt. Ltd., Nepal 30. Marsyangdi Transmission Company Pvt. Ltd., Nepal 31. GMR Hosur Energy Limited 32. Homeland Energy Group, Canada 33. GMR Gujarat Solar Power Private Limited 34. GMR Indo-Nepal Power Corridors Limited

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule - 10

II. Notes to the Accounts

1. Nature of Business:

GMR Kakinada Energy Private Limited is promoted as a Special Purpose Vehicle (SPV) by GMR Energy Limited, the holding company, to develop and operate gas based power project.

2. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances is Rs.1,47,32,377/- (Previous Year - Nil).

3. Employee Benefits:

As there are no Employees, company has not determined the liability for gratuity and long term compensated absences in accordance with revised AS 15.

4. Details of Auditors Remuneration:

Particulars	(Amount in Rupees)	
	31 st March 2011	31 st March 2010
i) Statutory Audit Fees	44,120*	11,030*
ii) Tax Audit Fees	-	-
iii) Certification / Consultation Fees	7,721*	-

* Include service tax.



GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule – 10

11. Earnings Per Share

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

12. Impairment:

All the fixed assets including intangible assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. Recoverable amount is higher of the net selling price of an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

13. Cash and Cash equivalents:

Cash for the purposes of cash flow statement comprise cash in hand and at bank (including deposits) and cash equivalents comprise of short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

14. Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates

15. Contingent Liabilities:

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and, to the extent not provided for, are disclosed by way of notes on the accounts.

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydropower Private Limited)

Schedule – 10

9. Foreign Currency Transactions

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

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 December 07, 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 amortised over the balance period of such long-term asset/ liability but not beyond accounting period ending on or before March 31, 2011.

All other monetary assets and liabilities denominated in foreign currency are restated using the closing rate and all exchange gains/ losses arising therefrom are adjusted to the Profit and Loss account except, those covered by forward contracted rates (not intended for trading or speculation), where the premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

10. Taxes on Income

Tax expense comprises of current and deferred taxes. Current tax is determined 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 taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are measured on the timing differences applying the tax rate 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/virtual certainty supported by convincing evidence that sufficient future tax 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.

GMR Kakinada Energy Private Limited
(Formerly known as Londa Hydro Power Private Limited)
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details			
Registration No.	U40101UR2006PTC031381	State Code : 20	
Balance Sheet Date	31st March, 2011		
2 Capital Raised during the year (Amount in Rs.Millions)			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
3 Position of Mobilisation and Development of Funds (Amount in Rupees)			
Total Liabilities	44,300,000	Total assets	44,300,000
Sources of Funds			
Paid Up Capital	100,000	Reserves & Surplus	-
Inter Corporate Deposit from GEL	44,200,000	Unsecured Loans	-
Secured Loans	-		
Application of Funds			
Net Fixed Assets (including capital work in progress)	6,386,209	Investments	-
Net Current Assets	37,824,119	Misc. Expenditure	
Accumulated Losses	89,672.00		
4 Performance of company (Amount in Rupees)			
Gross Income	-	Total Expenditure	53,979
+ / - Profit / Loss Before Tax	-	+ / - Profit / Loss After Tax	(53,979)
Earning Per Share in Rs.(Basic & Diluted)	(5.40)	Dividend Rate %	-
5 Generic Names of Three Principal Products / Services of Company (as per monetary terms)			
Item Code No. :	NA	Product Description	Gas Electric Power

For Girish Murthy & Kumar
Chartered Accountants

For and on behalf of the Board of Directors

A V Satish Kumar
Partner
Membership Number : 26526
Firm Registration Number: 000934S
Place: Bangalore
Date: 4th May, 2011

G Subba Rao
Director
Place: Bangalore
Date: 4th May, 2011

Avinash Shah
Director