

## AUDITOR'S REPORT

To

**The Members of GMR SEZ AND PORT HOLDING PRIVATE LTD**

1) We have audited the attached Balance Sheet of **GMR SEZ AND PORT HOLDING PRIVATE LTD** as at 31<sup>st</sup> March, 2011, and 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 an opinion on these financial statements based on our audit.

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

3) As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies act, 1956;

- v) On the basis of written representations received from the directors, of the company as at 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 in terms of clause (g) of sub section (1) of section 274 of the companies act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with its notes and Accounting Policies give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2011 and
- b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
- c) In the case of the cash flow statements of cash flows of the company for the year ended on that date

**For B. PURUSHOTTAM & CO.**  
Chartered Accountants  
Reg No. 002808S

Sd/-  
**B.S. PURUSHOTHAM**  
Partner  
M. No. 26785

**Place : Bangalore.**  
**Date : 11<sup>th</sup> May, 2011**

**ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH  
3 OF OUR REPORT OF EVEN DATE**

- i) The company has no fixed assets and hence requirement of reporting under clause i (a) to i (c) does not arise.
- ii) The Company does not carry any inventories. Hence reporting under clause ii (a) to ii (c) does not arise for the year under report.
- iii) a) The Company has not granted any unsecured loan to any parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clause iii(b), iii(c) & iii(d) are not applicable  
  
e) The company had not taken loan from companies, Firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 and hence clause iii (f) and iii (g) are not applicable
- 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 with regard to purchase and sale of the shares and services. During the course of our audit, we have not observed any instances of major weaknesses in internal controls.
- v) (a) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any Fixed Deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii) The Company's paid up capital and reserves do not exceed Rs. 50 lakhs as at the commencement of the financial year concerned or its average annual turnover does not exceed Rs. 5 Crores for three consecutive financial years immediately preceding the financial year concerned, hence the requirement of internal audit is not applicable.
- viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for this Company.
- ix) a) According to the information given to us, and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed

statutory dues including income tax and other material statutory dues as applicable, with the appropriate authorities, Provident Fund, Investor education and protection Fund, Employee State Insurance Scheme, Sales tax, Customs duty, Wealth Tax, Service tax, Excise duty and Cess are not applicable to the Company for the year

b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31<sup>st</sup> March 2011 for a period of more than six months from the date they become payable.

c) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of Sales tax, Income tax, Customs duty, Wealth tax, Service tax, Excise duty and Cess which have not been deposited on account of any disputes.

- x) The Company has been registered for a period less than five years. Hence reporting under this clause does not arise for the year under report.
- xi) Based on our audit procedures and on the basis of information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to debenture holders.
- xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of the security by way of pledge of shares, debentures or other securities.
- xiii) In our opinion, the Company is not a chit fund or a Nidhi or Mutual Benefit Fund / Society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- xiv) In our opinion, the Company maintained proper record of transactions, and contracts in respect of trading in securities, debentures and other investments, and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name
- xv) According to the information and explanations given to us and records made available to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has not taken any term loans. Therefore the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company

- xvii) According to the information and explanations given to us, and an overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) According to the information and explanations given to us, the Company has issued unsecured debentures during the year. Hence no security or charge created in respect of these debentures.
- xx) The Company has not raised any money by way of public issue during the year
- xxi) In our opinion and 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 B. PURUSHOTTAM & CO.**  
Chartered Accountants  
Reg No. 002808S

Sd/-  
**B.S. PURUSHOTHAM**  
Partner  
M. No. 26785

**Place : Bangalore**  
**Date : 11<sup>th</sup> May, 2001**

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**

(Formerly Known as GMR Oil and Natural Gas Private Limited)

Skip House , 25/1 , Museum Road , Bangalore - 560 025

**BALANCE SHEET AS AT MARCH 31, 2011**

Particulars	Schedule	As at March 31, 2011		As at March 31, 2010	
		Rs.		Rs.	
<b><u>SOURCES OF FUNDS</u></b>					
<b>Share holders' Funds</b>					
Share Capital	A		479,900,000		500,000
Share Application Money Pending allotment			1,350,300,000		-
<b>Loan Funds</b>					
Unsecured Loans	B		1,000,000,000		-
<b>Total</b>			<b>2,830,200,000</b>		<b>500,000</b>
<b><u>APPLICATION OF FUNDS</u></b>					
<b>Investments</b>					
	C		1,481,376,010		203,900
<b>Current Assets, Loans &amp; Advances</b>					
Cash and Bank Balances	D	1,474,699		293,700	
Loans and Advances	E	1,343,994,096		-	
		1,345,468,795		293,700	
<b>Current Liabilities and Provisions</b>					
Current Liabilities	F	39,175		46,580	
Provisions		-		-	
Net Current Assets		39,175	1,345,429,620	46,580	247,120
Debit Balance in Profit & Loss Account			3,394,370		48,980
<b>Total</b>			<b>2,830,200,000</b>		<b>500,000</b>
Significant Accounting Policies & Notes to accounts	H				

As per our Report of even date attached

**For B. Purushottam & Co.,**  
Firm Registration No. : 002808S  
Chartered Accountants

**for and on behalf of the Board**

Sd/-  
B.S. Purshotham  
**Partner**  
M No: 26785

Sd/-  
Sreemannarayana  
**Director**

Sd/-  
Y Kamalakara Rao  
**Director**

Place : Bangalore  
Date : 11th May, 2011

# GMR SEZ & PORT HOLDINGS PRIVATE LIMITED

(Formerly Known as GMR Oil and Natural Gas Private Limited)

Skip House , 25/1 , Museum Road , Bangalore - 560 025

## Profit And Loss Account for the Year ended March 31, 2011

Particulars	Schedule	Year ended	Year ended
		March 31, 2011	March 31, 2010
		Rs.	Rs.
<b>I. Income</b>			
Interest income		10,959	-
		10,959	-
<b>II. Expenditure</b>			
Administration Cost	G	3,356,349	31,865
		3,356,349	31,865
<b>III. Profit/(Loss) Before Taxation</b>		(3,345,390)	(31,865)
<b>IV. Provision for Taxation - Current</b>		-	-
<b>V. Profit/(Loss) After Taxation</b>		(3,345,390)	(31,865)
Balance brought forward from previous period		(48,980)	(17,115)
<b>VI. Balance carried to Balance Sheet</b>		<b>(3,394,370)</b>	<b>(48,980)</b>
Earnings per Share (Rs.) Basic and Diluted EPS (Per Equity share of Rs.10 each)		(0.32)	(2.99)
<b>Significant Accounting Policies and Notes to the Accounts</b>	H		

This is the Profit and Loss Account referred to in our report of even date

**For B. Purushottam & Co.,**

Firm Registration No. : 002808S

Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-

B.S. Purshotham

**Partner**

**M.No. 26785**

Sd/-

Sreemannarayana

**Director**

Sd/-

Y Kamalakara Rao

**Director**

**Place : Bangalore**

Date : 11th May, 2011

# GMR SEZ & PORT HOLDINGS PRIVATE LIMITED

(Formerly Known as GMR Oil and Natural Gas Private Limited)

Cash Flow Statement For The Year Ended March 31, 2011

(Amount in Rupees)

	Year ended March 31, 2011	Year ended March 31, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax and Extraordinary Items	(3,345,390)	(31,865)
Adjustments for :	-	-
Operating Profit Before Working Capital Changes	<b>(3,345,390)</b>	<b>(31,865)</b>
Adjustments for :		
Changes in Trade and Other Receivables	-	-
Changes in Trade and other Payables	(7,405)	29,465
<b>Cash generated from Operations</b>	<b>(3,352,795)</b>	<b>(2,400)</b>
Taxes paid	(1,096)	-
<b>Net Cash Flow from Operating Activities</b>	<b>(3,353,891)</b>	<b>(2,400)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Subsidiaries shares	(481,172,110)	(203,900)
(Purchase)/Sale of Debentures	(1,000,000,000)	-
Advance for investments in Subsidiary Companies	(1,343,993,000)	-
<b>Net Cash used in Investing Activities</b>	<b>(2,825,165,110)</b>	<b>(203,900)</b>
<b>C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) from Application Money	1,350,300,000	(10)
Proceeds from issue of Debentures	1,000,000,000	-
Proceeds from Issue of Equity Shares	479,400,000	400,000
<b>Net Cash used in Financing Activities</b>	<b>2,829,700,000</b>	<b>399,990</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>1,180,999</b>	<b>193,690</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>293,700</b>	<b>100,010</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>1,474,699</b>	<b>293,700</b>
<b>Notes:</b>		
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.		

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

**For B. Purushottam & Co.,**  
Firm Registration No. : 002808S  
Chartered Accountants

**for and on behalf of the Board**

Sd/-  
B.S. Purshotham  
**Partner**  
M No: 26785

Sd/-  
Sreemannarayana  
**Director**

Sd/-  
Y Kamalakara Rao  
**Director**

Place : Bangalore  
Date : 11th May, 2011

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**

(Formerly Known as GMR Oil and Natural Gas Private Limited)

Skip House , 25/1 , Museum Road , Bangalore - 560 025

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

Particulars	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
<b>Prakalpa Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Purnachandra Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Shreydita Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Sreepa Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Bougainvilla Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Deepesh Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Padmapriya Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>Larkspur Properties Private Limited</b> 10,000 Equity Shares of Rs. 10 each fully paid up	100,000	-
<b>GMR Campus Private Limited</b> Nil (2010 : 9,990) Equity Shares of Rs. 10 each fully paid up	-	99,900
<b>GMR Head Quarters Private Limited</b> NIL (2010 : 9,900) Equity Shares of Rs. 10 each fully paid up	-	99,000
<b>In Equity shares of Other Body Corporates :</b>		
<b>Dhruvi Securities Private Limited</b> 100 (2010 : 100) Equity Shares of Rs. 10 each fully paid up	5,000	5,000
<b>B. In Debentures of Other Company</b> Kakinada Infrastructure Holdings Private Limited 100 (0.10%) Cumulative Optionally Convertible Debentures of Rs. 10,000,000 each	1,000,000,000	-
	<b>1,481,376,010</b>	<b>203,900</b>

**SCHEDULE - D**

<b>Cash and Bank Balances</b>		
Cash on Hand	3,535	-
Balance with Scheduled Banks	1,471,164	293,700
	<b>1,474,699</b>	<b>293,700</b>

**SCHEDULE - E**

<b>Loans and Advances</b>		
Advance recoverable in cash or in kind		
Advance to subsidiaries towards Share Application Money	1,343,993,000	-
Advance Income Tax	1,096	-
	<b>1,343,994,096</b>	<b>-</b>

**SCHEDULE - F**

<b>Current Liabilities</b>		
Sundry Creditors	-	10,350
Audit Fee Payable	22,060	5,515
Provision for Outstanding Expenses	17,115	30,715
	<b>39,175</b>	<b>46,580</b>

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**  
 (Formerly Known as GMR Oil and Natural Gas Private Limited)  
 Skip House , 25/1 , Museum Road , Bangalore - 560 025

**Schedules forming part of the Profit and Loss Account for the Year ended March 31, 2011**

Schedule G	Year ended March 31, 2011 Rs.	Year ended March 31, 2010 Rs.
<b>Administration and Other Expenses</b>		
Audit Fee	22,060	5,515
Bank Charges	1,211	52
Consultancy & Professional fees	3,800	6,206
Local Conveyance	1,406	1,460
Printing & Stationery	4,213	2,982
Rates & Taxes	3,323,594	15,650
Office Maintenance	65	
<b>Total</b>	<b>3,356,349</b>	<b>31,865</b>

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**  
(Formerly Known as GMR Oil and Natural Gas Private Limited)  
Skip House , 25/1 , Museum Road , Bangalore - 560 025

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>1</b>	<b>Registration Details</b>			
	Registration No.	U67120KA2008PTC045801		
	Balance Sheet Date	March 31, 2011	State Code	08
<b>2</b>	<b>Capital Raised during the year (Amount in Rs. Thousands)</b>			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
<b>3</b>	<b>Position of Mobilisation and Development of Funds ( Amount in Rs. Thousands)</b>			
	Total Liabilities	2,830,200	Total assets	2,830,200
	<b>Sources of Funds</b>			
	Paid - Up Capital	479,900	Unsecured Loans	1,000,000
	Reserves & Surplus	-	Share Application Money	1,350,300
	Secured Loans	-	Current Liabilities	-
	<b>Application of Funds</b>			
	Net Fixed Assets	-	Investments	1,481,376
	Net Current Assets	1,345,430	Misc. Expenditure	-
	Accumulated Losses	3,394	Expenditure for Allocation	-
<b>4</b>	<b>Performance of company ( Amount in Rs. Thousands)</b>			
	Gross Income	11	Total Expenditure	3,356
	+ / - Profit / Loss Before Tax	(3,345)	+ / - Profit / Loss After Tax	(3,345)
	Earning Per Share in Rs.	(0.32)	Dividend Rate %	Nil
<b>5</b>	<b>Generic Names of Three Principal Products / Services of Company (as per monetary terms)</b>			
	Item Code No. :	N.A		
	Product Description	N.A		

for and on behalf of the Board

Sd/-  
Sreemannarayana  
Director

Sd/-  
Y Kamalakara Rao  
Director

Place : Bangalore  
Date : 11th May, 2011

**Schedule – H**

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

**I. Significant Accounting Policies**

**Accounting Assumptions**

The financial statements are 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 notified under Sub-section (3C) of section 211 of the Companies Act, 1956 of India and relevant provisions of the Act.

**Revenue Recognition**

The Company recognizes significant items of income and expenditure on accrual basis except in case of those with significant uncertainties. Dividends declared by subsidiary companies after the Balance Sheet date, are recognised as income in the year to which they relate if they are declared before the approval of the financial statements by the Board of Directors.

**Fixed Assets**

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidentals attributable to bringing the asset to its working condition.

All the fixed 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. The impairment loss recognized in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

**Depreciation**

Depreciation is provided on straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 except for assets of less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold improvements are amortized over the of the lease or estimated useful life whichever is shorter.

**Investments**

Long term investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such investments for each category. The Current investments are valued at cost or market value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition. Income from investments is recognised in the year in which it is accrued and stated at gross.

**Foreign Currency Transactions**

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. Monetary assets and monetary liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain/loss is recognised in the financial statements.

Non-Monetary Assets and Liabilities are translated at the rate prevailing on the date of transaction.

## **GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**

### **Schedule – H**

#### **Retirement Benefits**

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

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are charged on accrual basis.

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

The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 as at the end of the year.

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

Other Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

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

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

#### **Earnings Per Share**

The earnings considered in ascertaining the company's Earnings Per Share (EPS) comprise the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

#### **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 in accordance with the applicable laws. Deferred tax is recognised 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.

## GMR SEZ & PORT HOLDINGS PRIVATE LIMITED

### Schedule – H

#### II. Notes to the Accounts

The company was incorporated on March 28, 2008 as GMR Oil and Natural Gas Private Limited with the main objective of exploration of Oil and Natural Gas, produce petrol & petroleum products etc. The name of the company has been changed to GMR SEZ & Port Holdings Private Limited in March 2010. The company at present is pursuing the investment opportunities in companies in the field of promoting, establishing, constructing, providing technical services, or related in any way to operate special economic zones (SEZs) and in companies engaged in the business of designing, developing, building, maintaining or in any way related to operating Sea Ports in India and abroad.

1. Contingent Liabilities: Rs. NIL (2010 : Rs. Nil).
2. Capital Commitments:  
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances is Rs. NIL (2010 : Rs. Nil).
3. **Related Party transactions**

a) Name of Related Parties and description of Relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Infrastructure Limited (GIL) GMR Holdings Private Limited (GHPL)
Subsidiary Companies	Advika Properties Private Limited (Advika) Aklima Properties Private Limited (Aklima) Amartya Properties Private Limited (APPL) Baruni Properties Private Limited (Baruni) Bougainvillea Properties Private Limited (BPPL) Camelia Properties Private Limited (CPPL) Deepesh Properties Private Limited (DPPL) Eila Properties Private Limited (EPPL) Gerbera Properties Private Limited (GPPPL) Lakshmi Priya Properties Private Limited (LPPPL) Larkspur Properties Private Limited (LPPL) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) Krishnapriya Properties Private Limited (KPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PPPPL) Prakalpa Properties Private Limited (Prakalpa) Purnachandra Properties Private Limited (PPPL) Shreyadita Properties Private Limited (SPPL) Sreepa Properties Private Limited (Sreepa)

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**

**Schedule – H**

Fellow Subsidiaries	GMR Enterprise Private Limited (GEPL) GMR Krishnagiri SEZ Limited (GKSEZ) GMR Energy Limited (GEL) Dhruvi Securities Private Limited
Key Management Personnel and their relatives	Mr. Srinivas Bommidala (Director) Mr. G M Rao,(Relative of Director)

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

(Amount in Rupees)

Particulars	Year Ended 31 <sup>st</sup> Mar'11	Year Ended 31 <sup>st</sup> Mar' 10
i) Allotment of Equity Share Capital		
- Holding Company - GIL	479,400,000	400,000
ii) Shares application money received / (repayment)		
- Holding Company - GIL	1,350,300,000	(10)
iii) Purchase of equity shares		
- Holding Company – GHPL	-	198,900
- Fellow Subsidiary - GEPL	100,000	-
- Fellow Subsidiary - GKSEZ	1,900,000	-
iv) Purchase of Debentures		
- Fellow Subsidiary - GKSEZ	1,000,000,000	-
v) Sale of Shares		
- Mr. G M Rao (Relative of Director)	99,000	-
vi) Advance to Subsidiaries towards Share Application Money :		
- Advika Properties Private Limited	69,778,000	-
- Aklima Properties Private Limited	40221000	-
- Amartya Properties Private Limited	82,403,000	-
- Baruni Properties Private Limited	61115000	-
- Bougainvillea Properties Private Limited	57,315,000	-
- Camelia Properties Private Limited	57,195,000	-
- Deepesh Properties Private Limited	118,003,000	-
- Eila Properties Private Limited	74,469,000	-
- Gerbera Properties Private Limited	62820000	-
- Lakshmi Priya Properties Private Limited	72,581,000	-
- Larkspur Properties Private Limited	4,000,000	-
- Honeysuckle Properties Private Limited	80,323,000	-
- Idika Properties Private Limited	63,593,000	-
- Krishnapriya Properties Private Limited	59,531,000	-
- Nadira Properties Private Limited	67,266,000	-
- Padmapriya Properties Private Limited	136,430,000	-
- Prakalpa Properties Private Limited	67,663,000	-
- Purnachandra Properties Private Limited	65,589,000	-
- Shreyadita Properties Private Limited	50,604,000	-
- Sreepa Properties Private Limited	53,094,000	-

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**

**Schedule – H**

c) Balance as on 31<sup>st</sup> March 2011 is as under for following related parties.

(Amount in Rupees)

<b>Name of the company</b>	<b>Year Ended 31<sup>st</sup> Mar'11</b>	<b>Year Ended 31<sup>st</sup> Mar' 10</b>
<b>i) Share Application Money pending allotment</b>		
Holding Company – GIL	1,350,300,000	-
<b>ii) Investment in equity of Subsidiaries</b>		
Advika Properties Private Limited	100,000	-
Aklima Properties Private Limited	100,000	-
Amartya Properties Private Limited	100,000	-
Baruni Properties Private Limited	100,000	-
Bougainvillea Properties Private Limited	100,000	-
Camelia Properties Private Limited	100,000	-
Deepesh Properties Private Limited	100,000	-
Eila Properties Private Limited	100,000	-
Gerbera Properties Private Limited	100,000	-
Lakshmi Priya Properties Private Limited	100,000	-
Larkspur Properties Private Limited	100,000	-
Honeysuckle Properties Private Limited	100,000	-
Idika Properties Private Limited	100,000	-
Krishnapriya Properties Private Limited	100,000	-
Nadira Properties Private Limited	100,000	-
Padmapriya Properties Private Limited	100,000	-
Prakalpa Properties Private Limited	100,000	-
Purnachandra Properties Private Limited	100,000	-
Shreyadita Properties Private Limited	100,000	-
Sreepa Properties Private Limited	100,000	-
<b>iii) Investment in equity of Fellow Subsidiary</b>		
Dhruvi Securities Private Limited	5,000	5,000
<b>iv) Advance to Subsidiaries towards Share Application Money</b>		
Advika Properties Private Limited	69,778,000	-
Aklima Properties Private Limited	40,221,000	-
Amartya Properties Private Limited	82,403,000	-
Baruni Properties Private Limited	61,115,000	-
Bougainvillea Properties Private Limited	57,315,000	-
Camelia Properties Private Limited	57,195,000	-
Deepesh Properties Private Limited	118,003,000	-
Eila Properties Private Limited	74,469,000	-
Gerbera Properties Private Limited	62,820,000	-
Lakshmi Priya Properties Private Limited	72,581,000	-
Larkspur Properties Private Limited	4,000,000	-
Honeysuckle Properties Private Limited	80,323,000	-

## GMR SEZ & PORT HOLDINGS PRIVATE LIMITED

### Schedule – H

Idika Properties Private Limited	63,593,000	-
Krishnapriya Properties Private Limited	59,531,000	-
Nadira Properties Private Limited	67,266,000	-
Padmapriya Properties Private Limited	136,430,000	-
Prakalpa Properties Private Limited	67,663,000	-
Purnachandra Properties Private Limited	65,589,000	-
Shreyadita Properties Private Limited	50,604,000	-
Sreepa Properties Private Limited	53,094,000	-

Note: 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.

- During the year, the Company has issued 100 (2010:Nil) 1% Cumulative Optionally Convertible Debentures (the debentures) of Rs.10,000,000 each aggregating to Rs. 1,000,000,000 (2010: Rs. Nil) to GMR Infrastructure Limited. The debentures are optionally convertible at any time not exceeding 120 months (the term) from the date of issue of debentures into equity shares at a valuation to be mutually agreed upon as per the valuation to be done by a reputed Chartered Accountant firm at the time of conversion. However, the Debentures are redeemable at the option of the subscriber with one month prior notice.
- Earnings per share (EPS)  
Calculation of EPS (Basic and Diluted)

Particulars	31.Mar.11	31.Mar.10
Nominal Value of Equity Shares (Rs. per Share)	10	10
Weighted average number of Equity Shares outstanding at the end of the year	105,57,397	10,657
Net Loss for the purpose of EPS	-33,45,390	-31,865
EPS – Basic and Diluted (Rs.)	-0.32	-2.99

- Income Tax provision is not considered, as there is no taxable profit.
- The Company does not have any employees thus there is no question of employee benefits, hence no provision is considered as required under AS-15.
- The company had received share application money which is higher than the Authorised capital and hence steps are taken to increase the Authorised Capital
- The Company during the year has not accounted Deferred Tax Asset as a matter of prudence.

**GMR SEZ & PORT HOLDINGS PRIVATE LIMITED**

**Schedule – H**

10. The Company operates in a single segment 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.
11. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D of Schedule VI to the Companies Act, 1956 to the extent either Nil or Not Applicable has not been furnished.
12. Previous year’s figures have been regrouped / rearranged, wherever necessary to make them comparable

As per our report of even date attached.

**For B. Purushottam & Co**  
Firm Registration No. : 002808S  
Chartered Accountants

**For and on behalf of the Board of Directors**

Sd/-  
B.S. Purshotham  
**Partner**  
Membership No. 26785

Sd/-  
K. Sreemannarayana  
**Director**

Sd/-  
Y. Kamalakara Rao  
**Director**

Place: Bangalore  
Date: 11<sup>th</sup> May, 2011