

AUDITORS' REPORT

TO THE MEMBERS OF SHREYADITA PROPERTIES PRIVATE LIMITED

We have audited the attached Balance Sheet of SHREYADITA PROPERTIES PRIVATE LIMITED as on 31st March 2011 and the related Profit and loss account and the Cash flow Statement 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.

As required by the Companies (Auditors report) order, 2003, as amended by the companies (auditors report) (Amendment) Order,2004,(together the order) issued by the Central Government of India in terms of sub section (4A) of section 227 of the" the companies act,1956 of India(the act), 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

Further, 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 and loss account and cash flow statement dealt with by this report are in agreement with books of account.

**GIRISH
MURTHY & KUMAR**
Chartered Accountants

4. In our opinion, the Balance Sheet , the Profit and loss account and cash flow statement dealt with by this report 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 on 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.

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 and loss account, of the loss incurred for the year ended on that date
- c. In the case of the cash flow Statement, of the cash flows for the year ended on that date.

PLACE : BANGALORE
DATED : 9th May, 2011

FOR GIRISH MURTHY & KUMAR
Firm Registration No: 000934S
Chartered Accountant

(B GIRISH RAO)
Partner.
Membership number: 85745

**GIRISH
MURTHY & KUMAR
Chartered Accountants**

Annexure to the Auditors Report

- i) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. During the year, the management has physically verified the fixed assets and there were no discrepancies. None of the fixed assets have been sold/disposed off during the year and as such going concern status of the company is not affected
- ii) The company has not commenced its operations and is not holding any stock of raw materials, semi finished and finished goods and therefore reporting under this clause of caro is not applicable.
- iii) The company has not taken loans from companies or other parties listed in the register maintained under section 301 of the Companies Act, 1956.. 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
- iv) The company has not given any loans or advances in the nature of loans during the year
- v) 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.
- vi) The company has not entered into any contract falling under Section 297 and therefore no particulars of transaction have been entered in the Register in pursuance of section 301 of the act.
- vii) 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.

**GIRISH
MURTHY & KUMAR
Chartered Accountants**

- viii) In our opinion, the company's present Internal Audit system is commensurate with the size and nature of its business.
- ix) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the companies act, 1956.
- x) The Company is regular in depositing undisputed amount of statutory dues of income tax with appropriate authorities. we are informed by the company that the Investor education and protection fund, wealth tax, Provident Fund act, service tax act, Employees State Insurance Scheme sales tax, excise, customs and cess are not applicable to the Company for the current year.
- xi) According to the information and explanations given to us there are no dues of income tax and any other tax which have not been deposited on account of any dispute. we are informed by the company that the Investor education and protection fund, wealth tax, Provident Fund act, service tax act, Employees State Insurance Scheme sales tax, excise, customs and cess are not applicable to the Company for the current year.
- xii) The company has not granted any loans/advances on the basis of security by way pledge of shares, debenture and other securities. As such no records and documents have been maintained.
- xiii) According to the information and explanations given to us, the company is not dealing or trading in shares, debentures and other investments and as such no records have been maintained.
- xiv) 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.
- xv) 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.

**GIRISH
MURTHY & KUMAR**
Chartered Accountants

- xvi) According to the information and explanations given to us, 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.
- xvii) The company has not issued any debentures during the year and therefore no securities have been created.
- xviii) We have not noticed any fraud on or by the company during the year.
- xix) The company is not covered under special statutory provisions applicable to the chit fund, Nidhi or mutual benefit societies.
- xx) 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
DATED : 9th May, 2011

FOR GIRISH MURTHY & KUMAR
Firm Registration No: 000934S
Chartered Accountant

Sd/-
(B GIRISH RAO)
Partner.
Membership number: 85745

Shreyadita Properties Private Limited
Skip House, No 25/1, Museum Road, Bangalore - 560 025

BALANCE SHEET AS AT MARCH 31, 2011

| Particulars | Schedule | As at March 31, 2011 Rs. | | As at March 31, 2010 Rs. | |
|---|----------|-----------------------------|-------------------|-----------------------------|-------------------|
| <u>SOURCES OF FUNDS</u> | | | | | |
| Share holders' Funds | | | | | |
| Share Capital | A | | 100,000 | | 100,000 |
| Share Application Money Pending allotement | | | 50,604,000 | | 56,924,000 |
| Reserves & Surplus | | | | | |
| Profit and Loss Account | | | 323,163 | | - |
| Total | | | 51,027,163 | | 57,024,000 |
| <u>APPLICATION OF FUNDS</u> | | | | | |
| Fixed Assets | | | | | |
| | B | | 56,915,646 | | 56,904,260 |
| Current Assets, Loans & Advances | | | | | |
| Cash & Bank Balances | C | 411,946 | | 80,836 | |
| Loans & Advances | D | 69,963 | | 41,551 | |
| | | 481,909 | | 122,387 | |
| Current Liabilities & Provisions | | | | | |
| Current Liabilities | E | 6,347,009 | | 34,771 | |
| Provisions | F | 23,383 | | - | |
| Net Current Assets | | | (5,888,483) | | 87,616 |
| Miscellaneous expenditure | | | | | |
| Debit Balance in Profit & Loss Account | | | - | | 32,124 |
| Total | | | 51,027,163 | | 57,024,000 |
| Significant Accounting Policies & Notes to accounts | I | | | | |

As per our report of even date attached

for and on behalf of the Board

For Girish Murthy & Kumar
Firm Registration No: 000934S
Chartered Accountants

Sd/-
B. Girish Rao
Partner
M No. 85745

Sd/-
G. Purnachandra Rao
Director

Sd/-
B. V. Suresh Babu
Director

Place : Bangalore
Date : 9th May, 2011

Shreyadita Properties Private Limited
Skip House, No. 25/1, Museum Road, Bangalore - 560 025
Profit And Loss Account for the Year ended March 31, 2011

| Particulars | Schedule | Year ended March 31, 2011 Rs. | Year ended March 31, 2010 Rs. |
|--|----------|-------------------------------------|-------------------------------------|
| I. Income | G | 1,400,712 | - |
| II. Expenditure | | 1,400,712 | - |
| Administration Cost | H | 885,343 | 32,124 |
| | | 885,343 | 32,124 |
| III. Profit/(Loss) Before Taxation | | 515,369 | (32,124) |
| IV. Provision for Taxation - Current | | 160,082 | - |
| V. Profit/(Loss) After Taxation | | 355,287 | (32,124) |
| Balance brought forward from previous period | | (32,124) | - |
| VI. Balance carried to Balance Sheet | | 323,163 | (32,124) |
| Significant Accounting Policies and Notes to the Accounts | I | | |

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

For Girish Murthy & Kumar
Firm Registration No: 000934S
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
B. Girish Rao
Partner
M No: 85745

Sd/-
G Purnachandra Rao
Director

Sd/-
B V Suresh Babu
Director

Place : Bangalore
Date : 9th May, 2011

Shreyadita Properties 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 |
|--|------------------------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) Before Tax and Extraordinary Items | 515,369 | (32,124) |
| Adjustments for : | - | - |
| Operating Profit Before Working Capital Changes | 515,369 | (32,124) |
| Adjustments for : | | |
| Changes in Trade and Other Receivables | (28,412) | 3,330,513 |
| Preliminary Expenses to the Extent Not Written Off | - | 9,016 |
| Changes in Trade and other Payables | 6,319,738 | (58,190) |
| Cash generated from Operations | 6,806,695 | 3,249,215 |
| Income Taxes paid | (144,199) | - |
| Fringe Benefit Tax paid | - | (11,054) |
| Taxes paid | - | - |
| Net Cash Flow from Operating Activities | 6,662,496 | 3,238,161 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (4,978) | (48,741,236) |
| (net of foreign exchange fluctuations) | | |
| Amount spent during Construction, pending allocation (net of Depreciation) | (6,408) | 782,985 |
| Net Cash used in Investing Activities | (11,386) | (47,958,251) |
| C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES | | |
| Proceeds from/(Repayment of) Share Application Money | (6,320,000) | 44,689,000 |
| Finance Charges paid | - | - |
| Proceeds from Issue of Equity Shares | - | - |
| Net Cash used in Financing Activities | (6,320,000) | 44,689,000 |
| Net increase / (decrease) in Cash and Cash Equivalents | 331,110 | (31,090) |
| Cash and Cash Equivalents at the beginning of the year | 80,836 | 111,926 |
| Cash and Cash Equivalents at the end of the year | 411,946 | 80,836 |
| 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. | | |

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

For and on behalf of the Board of Directors

Sd/-
For Girish Murthy & Kumar
Firm Registration No: 000934S
Chartered Accountants
B. Girsh Rao
Partner
M No : 85745
Place : Bangalore
Date : 9th May, 2011

Sd/-
G. Purnachandra Rao
Director

S
B V Suresh Bab
Director

Shreyadita Properties Private Limited
Skip House, No. 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. |
|---------------------|-------------------------------------|-------------------------------------|
| Income | | |
| Lease Rental Income | 1,400,712 | - |
| Total | 1,400,712 | - |

| Schedule H | Year ended March 31, 2011 Rs. | Year ended March 31, 2010 Rs. |
|--|-------------------------------------|-------------------------------------|
| Administration and Other Expenses | | |
| Rates & Taxes | 220 | 886 |
| ROC Charges | 430 | 2,562 |
| Licence Fee | - | 357 |
| Audit Fee | 7,500 | 16,546 |
| Certification fees | - | 2,757 |
| Land Maintance Charges | 197,943 | - |
| Security Charges | 679,250 | - |
| Premilinary Expenses | - | 9,016 |
| Total | 885,343 | 32,124 |

Shreyadita Properties Private Limited

Skip House, No 25/1, Museum Road, Bangalore - 560 025

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | | |
|----------|--|-----------------------|--------------------------------------|
| 1 | Registration Details | | |
| | Registration No. | U70109KA2008PTC045954 | |
| | Balance Sheet Date | 31.03.2011 | State Code 08 |
| 2 | Capital Raised during the year (Amount in Rs. Thousands) | | |
| | Public Issue | Nil | Rights Issue Nil |
| | Bonus Issue | Nil | Private Placement Nil |
| 3 | Position of Mobilisation and Development of Funds (Amount in Rs. Thousands) | | |
| | Total Liabilities | 57,398 | Total assets 57,398 |
| | Sources of Funds | | |
| | Paid - Up Capital | 100 | Unsecured Loans - |
| | Reserves & Surplus | 323 | Share Application Money 50,604 |
| | Secured Loans | - | Current Liabilities 6,370 |
| | Application of Funds | | |
| | Net Fixed Assets | 56,916 | Investments - |
| | Current Assets | 482 | Misc. Expenditure - |
| | Accumulated Losses | - | Expenditure for Allocation - |
| 4 | Performance of company (Amount in Rs. Thousands) | | |
| | Gross Income | 1,401 | Total Expenditure 885 |
| | + / - Profit / Loss Before Tax | 515 | + / - Profit / Loss After Tax 355 |
| | Earning Per Share in Rs. | 32.32 | 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 | |

for and on behalf of the Board

Sd/-
G Purnachandra Rao
Director

Sd/-
B V Suresh Babu
Director

Place : Bangalore
Date : 9th May 2011

Schedule – I

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention on the accrual basis, in accordance with the Indian Generally Accepted Accounting Principles (“GAAP”) and mandatory accounting standards as specified in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

B. Use of Estimates:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

C. Fixed Assets and Capital Work-in-progress:

- i) The gross block of fixed assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.
- ii) All Project related expenditure viz. Interest on loans, Legal/Professional charges, Shared Manpower cost, Repairs & Maintenance etc incurred prior to the date of commercial operation are shown under Capital Work-in-Progress. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

D. Depreciation:

Depreciation is provided on a pro-rata basis on Straight Line Method at rates specified in Schedule XIV to the Companies Act, 1956. Except for the Assets individually costing less than Rs.5,000/- is depreciated fully in the year of acquisition.

E. Borrowing cost:

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of the cost of that asset till the date of capitalization of qualifying asset. Other borrowing costs are recognized as expenses in the period in which they are incurred.

F. Investments:

- i) Long term Investments are stated at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary in the opinion of the management.
- ii) Current Investments are stated at cost or market value whichever is lower.

Shreyadita Properties Private Limited

G. Earnings per share:

The basic earnings per share are computed by dividing the net profit after tax for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share, if any are computed using the weighted average number of equity shares and dilutive potential equity share outstanding during the period except when the results would be anti-dilutive.

H. 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.

I. Contingent Liabilities:

Contingent liabilities, if any, are disclosed by way of Notes on accounts. Provision is made in the Accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the approval of accounts by the Board of Directors and which have material effect on the position stated in Balance sheet.

NOTES TO ACCOUNTS

1. Nature of Business:

Shreyadita Properties Private Limited is a subsidiary company of GMR SEZ & Port Holding Private Limited. The company is in the process of development of land near Hosur, in the state of Tamil Nadu. The company intends to develop the land for industrial purpose.

2. Capital commitments:

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. NIL (Mar'10 -Rs. NIL).

3. Details of Auditors Remuneration:

| Particulars | (Amount in Rupees) | |
|-------------------------|---------------------------------------|---------------------------------------|
| | Year Ended 31 st Mar'11 | Year ended 31 st Mar'10 |
| i) Statutory Audit Fees | 8,273 | 8,273 |
| ii) Certification Fees | - | 2,757 |

4. Additional information pursuant to Para 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956, Not Applicable.

Shreyadita Properties Private Limited

5. Related Party transactions

a) Name of Related Parties and description of Relationship.

| Shreyadita Properties Private Limited - Related parties | | |
|---|--------------------------------------|--|
| (i) | Enterprises that control the Company | GMR SEZ & Port Holdings Private Limited (GSPHPL) (Holding Company) (w.e.f.01.02.2011) GMR Krishnagiri SEZ Limited (GKSEZ) (Holding Company)(Till 31.01.2011) GMR Infrastructure Limited (GIL) GMR Holdings Private Limited (GHPL) |
| (ii) | Fellow 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) Krishnapriya Properties Private Limited (KPPPL) Gerbera Properties Private Limited (GPPL) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) Lakshmi Priya Properties Private Limited (LPPPL) Larkspur Properties Private Limited (LPPL) Nadira Properties Private Limited (NPPL) Padmapriya Properties Private Limited (PPPPL) Prakalpa Properties Private Limited (Prakalpa) Purnachandra Properties Private Limited (PPPL) Sreepa Properties Private Limited (Sreepa) GMR Hosur Energy Limited (GHEL) |
| (iii) | Key Management Personnel | Mr. B V Suresh Babu Mr. G Purnachandra Rao |

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

(Amount in Rupees)

| Particulars | Year Ended 31 st Mar'11 | Year Ended 31 st Mar' 10 |
|---|------------------------------------|-------------------------------------|
| i) Shares application money received/(refunded) | | |
| - Enterprises that Control the Company - GKSEZ | (55,124,000) | 44,689,000 |
| - Enterprises that Control the Company - GSPHPL | 50,604,000 | - |
| ii) Rent received :- | | |
| - Fellow Subsidiary -GHEL | 1,400,712 | - |
| iii) Deposit received :- | | |
| - Fellow Subsidiary -GHEL | 6,319,000 | - |

Shreyadita Properties Private Limited

c) Balance as on 31st Mar'11 is as under for following related parties.

(Amount in Rupees)

| Name of the company | Year Ended 31 st Mar'11 | Year Ended 31 st Mar'10 |
|---|---------------------------------------|---------------------------------------|
| Balance Payable to: | | |
| - Enterprises that Control the Company - GKSEZ | - | 56,924,000 |
| - Enterprises that Control the Company - GSPHPL | 50,604,000 | - |

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.

6. Earnings per Share (EPS)

| Particulars | Year Ended 31 st Mar'10 | Year Ended 31 st Mar'10 |
|--|---------------------------------------|---------------------------------------|
| 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 / (loss) as per Profit and loss Account (Rs.) | 355,287 | (32,124) |
| Less: Dividend on Preference shares (including tax thereon) | - | - |
| Profit/ (Loss) for Earning per share (Rs.) | 355,287 | (32,124) |
| Earnings per Share (EPS) (Rs.) | 35.52 | (3.21) |

7. 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.

8. Segment Reporting

The company is engaged primarily in the business of procurement of land. 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.

9. Previous year's figures have been re-grouped and reclassified, wherever necessary, to confirm to those of current year.

For Girish Murthy & Kumar
Firm Registration No: 000934S
Chartered Accountants

for and on Behalf of Board

Sd/-
B. Girish Rao
Partner
Membership Number: 85745

Sd/-
Mr. B V Suresh Babu
Director

Sd/-
Mr. G Purnachandra Rao
Director

Place : Bangalore.
Date : 9th May, 2011.