



28th September, 2017

Bombay Stock Exchange Limited
PJ Towers
Dalal street
Mumbai 400 001

National Stock Exchange of India
Limited
Exchange Plaza, Bandra Kurla Complex
Ex bandra East
Mumbai 400 051

Dear Sirs,

Sub: Annual Report of GVK Power & Infrastructure Ltd for the FY 2016-17.

Ref: Compliance under Regulation 34(1) of SEBI (LODR) Regulations 2015

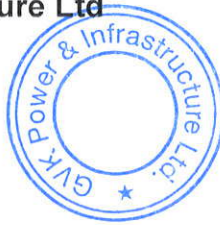
With reference to above please find attached Annual Report for the financial year 2016-17 as required under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records

Thanks & regards,

For GVK Power & Infrastructure Ltd

P V Rama Seshu
AVP & Company Secretary



Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

FORM A

1.	Name of the Company	GVK Power & Infrastructure Limited
2.	Annual financial statements for the year ended	March 31, 2017
3.	Type of Audit observation	Emphasis of Matter ("EOM") on Standalone and Consolidated financial statements. Also refer Form B for qualification on Standalone & Consolidated Financial Statements.
4.	Frequency of observation	<u>Standalone financial statements</u> a) EOM with respect to carrying value of investments in the jointly controlled entity. Refer notes to the standalone financial statements. Frequency of observation: With respect to the Gas based power plants and the Coal mines, first time reported in the year ended March 31, 2013. With respect to the Hydro power plant, first time reported in the current year. b) EOM with respect to going concern- continuous losses, defaults in interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and undertaken to provide financial assistance. Refer notes to the standalone financial statements. Frequency of observation: First time reported in the year ended March 31, 2016. c) EOM with respect to uncertainties faced by an investee to which the Company has provided guarantees, commitments, financial assistance and net liabilities exceeds net assets of the investee. Refer note to the standalone financial statement. Frequency of observation: First time reported in the year ended March 31, 2015.

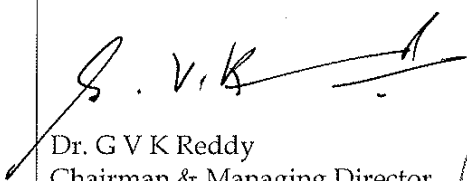
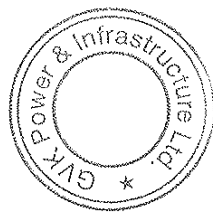


		<u>Consolidated financial statements</u> a) EOM regarding outstanding fixed charge component of the tariff on the increased capital cost considered receivable from AP Transco. Refer notes to the consolidated financial statements. Frequency of observation: First time reported in the year ended March 31, 2006. b) EOM regarding recoverable minimum alternate tax, disincentives recoverable and other receivables. Refer note to the consolidated financial statements. Frequency of observation: First time reported in the year ended March 31, 2006 for minimum alternate tax and other receivables and in the year ended March 31, 2014 for disincentives recoverable. c) EOM with respect to carrying value of investments in the jointly controlled entity and continuation of operation in foreseeable future despite continued losses. Refer notes to the consolidated financial statements.. Frequency of observation: With respect to the Gas based power plants and the Coal mines, first time reported in the year ended March 31, 2013. With respect to the Hydro power plant, first time reported in the current year. d) EOM with respect to going concern- continuous losses, defaults in interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and undertaken to provide financial assistance. Refer notes to the consolidated financial statements.. Frequency of observation: First time reported in the year ended March 31, 2016. a) EOM with respect to recognition of deferred tax of an associate company pending notification of useful life for airport specific assets by Airport Economic Regulatory Authority. Refer notes to the consolidated financial statements.
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		Frequency of observation: First time reported in the year ended March 31, 2015.
		b) EOM with respect to uncertainties faced by an investee to which the Company has provided guarantees and commitments and net liabilities exceeds net assets of the investee. Refer notes to the consolidated financial statement. Frequency of observation: First time reported in the year ended March 31, 2015.



5.	To be signed by- CEO/Managing Director CFO/Person in-charge of Finance Auditor of the company Audit Committee Chairman	 Dr. G V K Reddy Chairman & Managing Director   A Issac George Director & CFO S R Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/E300004  per Vikas Kumar Pansari Partner Membership Number: 93649 Date:   Ch. G Krishna Murthy Director
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Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

FORM B

1.	Name of the Company	GVK Power & Infrastructure Limited
2.	Annual financial statements for the year ended	March 31, 2017
3.	Type of Audit qualification	Qualified opinion on Standalone & consolidated financial statements. Also refer Form A for Emphasis of Matter on Standalone and Consolidated Financial Statements.
4.	Frequency of qualification	As detailed below
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<u>Standalone financial statements</u> Qualification on recoverability against carrying value of assets of GVK Coal (Tokisud) Private Limited, a subsidiary of GVK Energy Limited, a jointly controlled entity involved in coal mining. Frequency of observation: First time reported in the year ended March 31, 2015. Management response: GVK Coal (Tokisud) Private Limited was incorporated for developing a coal mine with minable reserve of 52 Million Tons (geological reserve of around 92 Million Tons) in the state of Jharkhand as a captive coal mine to meet the requirements of coal of GVK Power (Goindwal Sahib) Limited, , subsidiary of GVK Energy Limited, a Jointly controlled entity , which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab. The Honorable Supreme Court vide is decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and had cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honorable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ petition before the Hon'ble High Court of Delhi challenging the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block

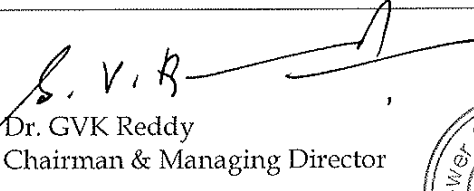
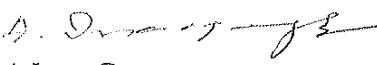
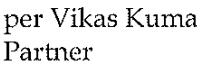
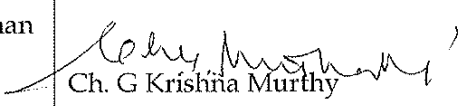


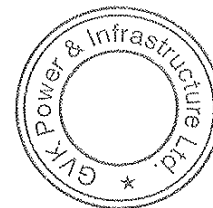
		as Rs.11,129 Lakhs against the carrying value of assets of Rs.311,15 Lakhs. The Hon'ble High court had passed an order 09.03.2017. In the order, Hon'ble High court has agreed that restricting compensation to the computed written down value as on 31.03.2014 may not be correct and valuation of the mine infrastructure should be done as on the date of execution of the vesting order or allotment order as the case may be. Court has advised the management to raise disputes before the tribunal for the quantum of compensation. Based on the management's judgment the Company has resubmitted its claim for balance compensation to nominated authority on 28th April 2017. Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision was required to be made on carrying value of assets. <u>Consolidated financial statements</u> a) Qualification on recoverability against carrying value of assets of GVK Coal (Tokisud) Private Limited, a subsidiary of GVK Energy Limited, a jointly controlled entity involved in coal mining. Frequency of observation: First time reported in the year ended March 31, 2015. Management response: GVK Coal (Tokisud) Private Limited was incorporated for developing a coal mine with minable reserve of 52 Million Tons (geological reserve of around 92 Million Tons) in the state of Jharkhand as a captive coal mine to meet the requirements of coal of GVK Power (Goindwal Sahib) Limited, subsidiary of GVK Energy Limited, a jointly controlled entity, which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab. The Honorable Supreme Court vide its decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and had cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honorable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ
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		petition before the Hon'ble High Court of Delhi challenging the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block as Rs.11,129 Lakhs against the carrying value of assets of Rs.311,15 Lakhs. The Hon'ble High court had passed an order 09.03.2017. In the order, Hon'ble High court has agreed that taking restricting compensation to the computed written down value as on 31.03.2014 may not be correct and valuation of the mine infrastructure should be done as on the date of execution of the vesting order or allotment order as the case may be. Court has advised the management to raise disputes before the tribunal for the quantum of compensation. Based on the management's judgment the Company has resubmitted its claim for balance compensation to nominated authority on 28th April 2017. Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision was required to be made on carrying value of assets.
6.	Additional comments from the board/audit committee chair:	None.



7.	To be signed by- CEO/Managing Director CFO/Person in-charge of Finance Auditor of the company Audit Committee Chairman	 Dr. GVK Reddy Chairman & Managing Director  A Issac George Director & CFO  S R Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/E300004  per Vikas Kumar Pansari Partner Membership Number: 93649 Date: 24/05/2017  Ch. G Krishna Murthy Director
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GVK POWER & INFRASTRUCTURE LIMITED

23RD ANNUAL REPORT 2016 - 2017



Terminal 2, MIAL, Mumbai



GVK Deoli-Kota Expressway



Alakananda HEP, Srinagar



GVK Power (Goindwal Sahib) Limited



Walkalator at T2, MIAL, Mumbai

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In support of the green initiatives of the Central Government and also to save trees, we sincerely urge and request the shareholders to compulsorily register their E-mail ID (as per the form provided in page no. 189) with the company/RTA. Please join us in this endeavour to reduce the usage of paper.

SAVE PAPER . . . SAVE TREES . . .

Corporate Information

Board of Directors

Dr. GVK Reddy	Chairman & Managing Director
G V Sanjay Reddy	Vice Chairman
Krishna R Bhupal	Director
A Issac George	Director & CFO
Ch G Krishna Murthy	Independent Director
S Balasubramanian	Independent Director
S Anwar	Independent Director
K Balarama Reddi	Independent Director
Santha K John	Independent Director
P V Prasanna Reddy	Director (w.e.f.11.08.2017)
P V Rama Seshu	AVP & Company Secretary

Committees of the Board

Audit Committee

Ch G Krishna Murthy	Chairman
S Balasubramanian	
K Balarama Reddi	

Nomination & Remuneration Committee

S Anwar	Chairman
K Balarama Reddi	
Ch G Krishna Murthy	

Stakeholders Relationship Committee

Ch G Krishna Murthy	Chairman
A Issac George	
S Anwar	

Corporate Social Responsibility Committee

G V Sanjay Reddy	Chairman
K Balarama Reddi	
Ch G Krishna Murthy	

Statutory Auditors

S R Batliboi & Associates LLP
The Oval Office, 18, ILabs Centre
Hitech City, Madhapur
Hyderabad – 500 081

Registrar & Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gacchibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Secretarial Auditor

M/s Narender & Associates
Company Secretaries
403, Naina Residency, Srinivasa Nagar(East)
Ameerpet, Hyderabad – 500 038

Internal Auditors

Rambabu & Co
Chartered Accountants
H.O.: 31, Pancom Chambers
Rajbhavan Road, Hyderabad - 500 082

Registered & Corporate Office

“Paigah House” 156-159
Sardar Patel Road
Secunderabad – 500 003

Stock Code

BSE : 532708
NSE : GVKPIL

ISIN

INE251H01024

CIN

L74999AP2005PLC059013

Financials at a glance

(Rs. Lakhs)

	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Financial Performance				
Operational Incomes	2,816	2,718	351,647	320,687
EBIDTA	(25,767)	(9,678)	115,632	117,133
Other Income	5,151	3,998	53,266	51,002
Finance Costs	5,176	5,321	189,037	165,076
Depreciation	13	16	66,867	54,896
Loss from ordinary activities	(25,805)	(11,017)	(87,006)	(51,837)
Share of profit of associate	-	-	23,464	18,206
Share of loss of jointly controlled entity	-	-	(65,094)	(27,094)
Loss before tax	(25,805)	(11,017)	(128,636)	(60,725)
Tax expense/(credit)	1,296	1,340	5,727	7,994
Non - controlling interest	-	-	(4,135)	(4,039)
Loss for the year	(27,101)	(12,357)	(130,228)	(64,680)
Other comprehensive income, net	(1)	-	(287)	124
Total comprehensive income	(27,102)	(12,357)	(130,515)	(64,556)
EPS (Rupees) :				
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400	1,579,210,400	1,579,210,400
Basic and Diluted	(1.72)	(0.78)	(8.25)	(4.10)
Financial Position:				
Fixed Assets (Net of depreciation)	48	63	1,559,023	1,599,528
Cash and Bank balance	16	89	102,783	90,616
Net current assets	(36,923)	9,678	(498,130)	(390,037)
Total Assets	225,968	252,789	2,063,123	2,239,967
Equity	15,792	15,792	15,792	15,792
Other equity	160,925	188,027	(45,476)	84,328
Net worth	176,717	203,819	(29,684)	100,120
Market Capitalisation	93,963	107,860	93,963	107,860

Notice

Notice is hereby given that the 23rd Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999AP2005PLC059013) will be held on **Wednesday, the 27th September, 2017 at 11:30 a.m.** at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 074 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of G V Sanjay Reddy (DIN 00005282), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint statutory auditors and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, and based on the recommendations of the Audit Committee and the Board of Directors approval of the Members be and is hereby accorded to the appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016), as Statutory Auditors of the Company, in place of M/s. S R Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W), whose term has been completed (including the transitional period) in terms of section 139(1) of the Act, to audit the books of accounts and other financial statements of the Company from the financial year 2017-18 onwards, for a period of 5 years, so as to hold office from the conclusion of this 23rd Annual General Meeting (AGM) until the conclusion of the 28th AGM, and subject to ratification by Members every year, hereafter, at such remuneration and out of pocket expenses, as may be decided by the Audit Committee and Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149 of the Companies Act, 2013 and the rules made thereunder and the Articles of Association of the Company, P V Prasanna Reddy (DIN: 01259482) who was appointed as an Additional Director (Non-Executive & Non- Independent) of the Company by the Board of Directors with effect from 11th August, 2017 and who holds office until the date of the AGM in terms of Section 161 of the Companies Act, 2013 be and is hereby appointed as a Director of the Company whose office is liable to retire by rotation."

"RESOLVED FURTHER THAT P V Rama Seshu, AVP & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

By order of the Board

Place : Hyderabad
Date : August 11, 2017

P V Rama Seshu
AVP & Company Secretary

Notes

1. Every Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company. A person can act as Proxy on behalf of the members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Duly filled in Proxy form must be deposited at the Registered Office of the Company before 48 hours of the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25-09-2017 to 27-09-2017 (both days inclusive).
4. Members are requested to:
 - i) Note that as a measure of austerity, copies of Annual Report will not be distributed at the Annual General Meeting.
 - ii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue, as entry to the Auditorium will be strictly on the basis of the entry slip, available at the counters at the venue to be exchanged with the attendance slip.
 - iii) Quote the Folio / Client ID & DP ID Nos. in all their correspondences.
 - iv) Note that due to strict security reasons brief cases, eatables and other belongings are not allowed inside the auditorium.
 - v) Note that no gifts / compliments / coupons will be distributed at the Annual General Meeting.
 - vi) Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
 - vii) Members are requested to notify immediately changes, if any, in their addresses, in respect of the physical shares held by them, to the Company, and to their Depository Participants (DP) in respect of shares held in the dematerialized form.
5. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to P V Rama Seshu, AVP & Company Secretary at the Registered Office of the Company at least ten days prior to the date of the meeting, so that the information required can be made available at the meeting.
6. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment and re-appointment at the AGM, is furnished as part of Corporate Governance Report.
7. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Sec 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Contracts or Arrangements in which the directors are interested, maintained under Sec 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. All documents referred to in the notice and annexures thereto along with other mandatory registers / documents are open for inspection at the registered office of the Company on all working days (except Saturdays and Sundays) between 11.00 a.m. to 1.00 p.m. prior to the date of Annual General Meeting.
10. The Ministry of Corporate Affairs has taken a corporate "Green initiative in the corporate governance" by allowing paperless compliance by companies. As per the MCA Circular, Service of documents through electronic mode i.e. e-mail by the Company will be a valid compliance of Section 101 of the Companies Act, 2013. As such the members who are yet to register are requested to furnish/ register their e-mail id's to enable the Company to send all notices, periodical statements etc., of the Company through electronic mode at einward.ris@karvy.com.
11. The Securities and Exchange Board of India (SEBI) has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. **Voting through electronic means**
In compliance with Sec 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014, substituted by Companies (Management & Administration) Amendment, Rules, 2014 and Regulation 44 of the SEBI

(Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting (E-Voting) facility provided by Karvy Computershare Pvt Ltd (KCPL). Shareholders who have not voted through remote E-Voting and those who are present at the AGM can participate in voting process through a ballot paper which would be made available at the AGM. Members attending the AGM in person or through proxy and who have not already cast their votes by remote e-voting only shall be allowed to exercise their voting right at the AGM through a ballot paper. Members who have already cast their votes by remote e-voting prior to the date of AGM may attend the meeting, but shall not be entitled to cast their votes again.

Instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- i) Log on to the e-voting website <https://www.evoting.karvy.com>
- ii) Click on "Shareholders" tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANYNAME" from the drop down menu and click on "SUBMIT"
- iv) If you are holding shares in Demat form and had logged on to <https://www.evoting.karvy.com> and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat form	For Members holding shares in Physical form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company and then enter the Captcha Code as displayed
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of O's before the number after first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter "999999999" in the dividend Bank details and 13/06/2014 in the date of Birth field.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through Karvy platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the relevant EVSN on which you choose to vote.
- x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired, the option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xiv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (xiii) above, to cast vote.

(C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to [https:// www.evoting.karvy.com](https://www.evoting.karvy.com) in and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

(D) The voting period begins on **24th September, 2017 at 9.00 a.m.** and ends on **26th September, 2017 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Karvy Computershare Private Limited (KCPL) for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(E) For the purpose of sending AGM notices, **25th August, 2017** has been taken as the initial cut-off date to determine the list of shareholders who are entitled to receive this notice as per the Act. However the voting rights shall be determined as per the number of equity shares actually held by the Member(s) as on **20th September, 2017**, being the final cut off date. Members are eligible to cast vote electronically only if they are holding shares as on that date. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **20th September, 2017**, may obtain the User ID and password in the manner as mentioned below:

a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

(F) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.

(G) The facility for voting through a ballot paper will be made available at the AGM and the members attending the AGM who have not cast their vote already by remote e-voting will be able to exercise their right at the AGM. Members who have not cast their votes electronically by remote e-voting will only be allowed to cast their vote at the AGM through a ballot paper.

(H) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evoting.karvy.com> under help section or write an email to: einward.ris@karvy.com or mailmanager@karvy.com.

(I) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.

(J) Mr. Narender Gandhari, Practising Company Secretary (Membership No. 4898), of M/s. Narender & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner

(K) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer order voting through ballot paper for all those members who are present but not cast their votes electronically through remote e-voting facility.

(L) The Scrutinizer shall, immediately after conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer’s report of the total votes cast in favor or against, if any, by not later than three days from the conclusion of the AGM to the Chairman of the Company. Thereafter, the Chairman or any other person authorized by the Chairman, shall declare the result of the voting forthwith.

(M) The results along with the Scrutinizer’s report shall be placed on the Company’s website www.gvk.com and on the website of KCPL immediately after the result is declared by the Chairman or any other person authorized by the Chairman and will be communicated to the Stock Exchanges on which the Company’s equity shares are listed.

Explanatory statement

(In respect of the Special business Pursuant to section 102(1) of the Companies Act, 2013)

Item No: 4

Based on the recommendations of the Nomination and Remuneration committee of the Company at its meeting held on 10th August, 2017, the Board of Directors at its meeting held on 11th August, 2017 had appointed P V Prasanna Reddy as an Additional Director of the Company in the category on Non- Executive & Non-Independent Director with effect from August 11, 2017, pursuant to Section 161 of the Companies Act, 2013, read with Article 109 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, P V Prasanna Reddy will hold office up to the date of the ensuing AGM.

The Company has received from P V Prasanna Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of P V Prasanna Reddy as a Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

He is liable to retire by rotation.

Profile of P V Prasanna Reddy

Mr. P V Prasanna Reddy is graduated in B.Sc (Honours) and has over 40 years of experience in the business management and general administration. He was the Managing Director of Balaji Industrial Corporation Limited (Integrated Steel Plant with Manufacturing capacity of 1,00,000 MT of TOR 40 and TMT Bar), Balaji Biotech Limited (100% EOU, Integrated Shrimp Farming facility with Hatchery), Pearl Distilleries Limited (240 BPM Bottling Plant with Primary and Secondary Distillation), Trichy Steel Rolling Limited (Integrated Steel Plant with Melting and Foundry facility with 2,50,000 MT capacity). He has been associated with GVK Group in 2002 as President of GVK Jaipur Expressway Private Limited and has been instrumental in completing the 90.385 kms 6 Lane Expressway, a part of the 'Golden Quadrilateral' connecting 4 Metros and he also held various positions including Director (Projects) & CEO for Alaknanda Hydro Electric Project and as a Director in other GVK Group Companies.

Except P V Prasanna Reddy, the incumbent, none of the Directors, Key Managerial Personnel or their relatives, has interest or concern, financially or otherwise, in the above said appointment.

The Board recommends this resolution for your approval.

By order of the Board

Place : Hyderabad

Date : August 11, 2017

P V Rama Seshu
AVP & Company Secretary

Directors' Report

Dear Stakeholders,

Your Directors submit the 23rd Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2017.

Financial results

Following is the summary of consolidated financial results of the Company, its subsidiaries and associates.

(Rs. Lakhs)

Particulars	2016-17	2015-16
Financial Performance		
Operational Income	351,647	320,687
EBIDTA	115,632	117,133
Other Income	53,266	51,002
Finance Costs	189,037	165,076
Depreciation	66,867	54,896
Loss from ordinary activities	(87,006)	(51,837)
Share of profit of associate	23,464	18,206
Share of loss of jointly controlled entity	(65,094)	(27,094)
Loss before tax	(128,636)	(60,725)
Tax expense/(credit)	5,727	7,994
Non - controlling interest	(4,135)	(4,039)
Loss for the year	(130,228)	(64,680)
Other comprehensive income, net	(287)	124
Total comprehensive income	(130,515)	(64,556)
EPS (Rupees) :		
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400
Basic and Diluted	(8.25)	(4.10)
Financial Position:		
Fixed Assets (Net of depreciation)	1,559,023	1,599,528
Cash and Bank balance	102,783	90,616
Net current assets	(498,130)	(390,037)
Total Assets	2,063,123	2,239,967
Equity	15,792	15,792
Other equity	(45,476)	84,328
Net worth	(29,684)	100,120
Market Capitalisation	93,963	107,860

Our total income from operations increased by 9.65 % to Rs. 351,647 Lakhs from Rs. 320,687 Lakhs in the previous year. The Transportation segment contributed an income of Rs. 37,959 Lakhs (10.79 % of total income) compared to Rs. 37,666 Lakhs in the previous year. Airport Segment contributed an income of Rs. 312,127 Lakhs (88.76 % of total income) as compared to Rs. 281,557 Lakhs in the previous year. The other segment contributed Rs. 1,561 Lakhs compared to Rs.1,464 Lakhs in the previous year. The Airport assets (Mumbai and Bangalore Airports) have contributed to net profit of Rs. 19,274 Lakhs compared to Rs. 13,853 Lakhs in the previous year.

The net loss after tax, share of profit from associate, share of profit from joint venture and non controlling interest was Rs. 130,228 Lakhs as against net loss of Rs.64,680 Lakhs in the previous year. The net loss is mainly attributable to drop in generation of power due to acute which has resulted in either closure of power plants or operational for a very few days in a month and an increase in interest cost.

Dividend

The Board of Directors of your Company has not recommended any dividend for the financial year 2016-17.

Share Capital

The paid up equity share capital as on March 31, 2017 is Rs.157.92 Crore. There was no public issue, rights issue, bonus issue or preferential issue etc., during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Management Discussion and Analysis

A report for the year under review as stipulated under Part B of Schedule V of SEBI (LODR) Regulations, 2015 presented in a separate section forming part of the Annual Report.

Corporate Governance

Corporate Governance, as required under Regulation 27 of SEBI (LODR) Regulations, 2015, a certificate from the Company Secretary in Whole Time Practice on compliance with the mandatory recommendations of the Narayana Murthy Committee on Corporate Governance is annexed to the Directors Report. As in the past, your Company continues to follow best of Corporate Governance policies.

Subsidiaries and Consolidated Financial Statements

As on March 31, 2017 your Company has 8 direct Subsidiaries, 18 step down Subsidiaries and one Associate Company. There has been no material change in the nature of the business of the Company and its subsidiaries. Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report.

A statement containing salient features of the financial statement of these companies as required to be provided under section 129(3) of the Act, are enclosed herewith in the specified form, as **Annexure A**. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company Secretary. These documents are available for inspection during business hours at the registered office of the Company and that of the respective subsidiary companies. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: [http:// www.gvk.comunderinvestorrelations/investors/policyfordeterminingmaterialsubsidiaries](http://www.gvk.comunderinvestorrelations/investors/policyfordeterminingmaterialsubsidiaries)

Developments in the existing assets

(i) Energy

As already informed to members, the validity period of PPA for Jegurupadu Phase I power plant has expired on 20th June, 2015. Phase II operated in the month of September 2016 using e-bid RLNG and achieved PLF(G) of 3.75% and continues to declare availability on alternate fuel, hence achieved 99.73% PLF for the year ending March 2017 based on Availability Declaration on HSD fuel, presently plant is shut down and kept under preservation.

Alaknanda Hydro project has achieved cumulative year to date generation of 1275.458 Metric Units compared to 1163.395 Metric Units last year. Plant has effectively utilized the available water during the monsoon season to achieve the better operational performance.

Both units of 2 x 270MW coal based power plant, GVK Power (Goindwal Sahib) Limited could not be operated during the FY 2016-17 due to non-availability of coal and units will be restarted after accumulation of 1 lakh Metric Tons of coal at the project site.

(ii) Airports

During the year under review, Mumbai International Airport Private Limited (MIAL) handled 305,463 aircraft movements (ATMs) in FY 17, a growth of 3% compared to previous year, growth was mainly seen in international ATMs that grew at 5.5%. MIAL touched 45.15 million passengers in FY 17, a growth of 8.4%, growth in domestic passengers was at 8.9% whereas international passengers grew at 7%. Cargo throughput at MIAL was 782,288 MT, domestic cargo recorded a growth of 12% while international cargo grew by 10%. MIAL maintained its 2nd position in all India passenger and cargo share with 17.2% and 26% share, respectively.

FY 17 witnessed the launch of operations by Garuda Indonesia and Brussels Airlines to Jakarta and Brussels, respectively. Air China

also reinstated its operation to Beijing. In FY 18, RwandAir commenced operations to Kigali while Indonesia AirAsia X and Air Canada have confirmed their planned operations. The year also witnessed launch of code F operations by Etihad and Lufthansa, thereby making MIAL the only airport in India to have 4 code F operations daily. Aircraft upgrades were done by Jet Airways on routes like Bangkok, Singapore, Dubai, Dammam, Doha, Riyadh and Amsterdam. Also, to augment the domestic capacity, 6 wide body movements were introduced on Delhi, Chennai and Bengaluru routes. The revised aeronautical tariff card was issued in FY 17 that reflects the route development philosophy at MIAL. Wide body aircraft on international routes are charged less and new international routes are incentivised with no landing charges for 1 year.

Bangalore Airport & Infrastructure Developers Private Limited (BAIDPL), holding company of Bangalore International Airport Limited (BIAL) has completed the sale transaction of 33% equity holding in the later to Fairfax Group on 24th March, 2017 at a revised consideration of Rs.2,202 Crore. With this sale, BAIDPL's equity holding in BIAL has come down to 10% from 43% as of March 31, 2017.

Subsequently, the balance 10% equity holding also has been sold to Fairfax on July 13, 2017 for a sale consideration of Rs.1,290 Crore. As a result of total dilution of our equity in BIAL, all the Directors representing BAIDPL have resigned from the Board of BIAL.

During the year, BIAL has handled 22.88 Mio (PY 18.97 mio), 178,117 ATMs (PY 153,831) and 319,334 MT (PY 291,920 MT) of cargo resulting in increase of 20.6%, 15.8% and 9.4% respectively during the year. It has won the Skytrax Award 2017 for the Best Airport in India and Central Asia category and has been conferred with the Excellence Award 2016 for being IATA e-freight compliant Airport - South. The Company has been awarded GreenCo Platinum rating from CII Green Building Council (GBC) and the "Most Innovative" (top category) in GreenCo Best Practice Award – 2016 and also bagged the "Most useful project presentation" award during the event for the presentation on "Reduction & Optimization of pesticides at Kempegowda International Airport"

Directors

Appointment by rotation

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, G V Sanjay Reddy, Director of the Company will retire by rotation at this meeting and being eligible, your Board recommends his re- appointment.

Details of the director seeking re-appointment at this meeting have been given separately under the corporate governance section of this report.

Confirmation of Appointment

Pursuant to the provisions of the section 161 of the Companies Act, 2013 read with the Article 109 of the Articles of Association of the Company, P V Prasanna Reddy was appointed as Additional Director w.e.f. 11th August, 2017 and he shall hold office only up to the date of this Annual General Meeting. Being eligible, the Board recommends his appointment as Director of the Company whose office is liable to retire by rotation.

Key Managerial Personnel

During the year under review, there is no change in the Key Managerial Personnel of the Company.

Declaration by Independent Directors

Each of the Independent Directors have given a declaration to the Company that they meet the criteria of independence as required under section 149(7) of the Companies Act, 2013 and Regulation 25 of the Listing Agreement with the Stock Exchanges.

An exclusive meeting of the Independent Directors of the Company has been held on 14th February, 2017 which was attended by all the Independent Directors. They have reviewed the performance of the non-independent directors and the Board as a whole, performance of chairperson and quality of information to the Board as provided under Schedule IV of the Companies Act, 2013.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have formulated and adopted a policy on appointment / remuneration of directors including criteria for determining qualifications, positive attributes, independence of the Directors and other matters. This policy also covers the performance evaluation of all directors, Board, Committees and Key Managerial Personnel.

The Company has adopted a program on familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the company at the link [http:// www.gvk.comunderinvestorrelations/ investorsfamiliarisationprogrammeofindependentdirectors](http://www.gvk.comunderinvestorrelations/investorsfamiliarisationprogrammeofindependentdirectors).

Mechanism for Evaluation of Board

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual Directors.

1. Criteria for evaluation of Board of Directors as a whole
 - i) The frequency of meetings;
 - ii) The length of meetings;
 - iii) The administration of meeting;
 - iv) The number of committees and their notes;
 - v) The flow of information to board members and between board members
 - vi) The quality and quantity of information; and
 - vii) The disclosure of information to the stakeholders

One of the key functions of the Board is to monitor and review the evaluation framework. The Board works with nomination and remuneration committee to lay down the evaluation criteria for performance of the Chairman, the Board, Board Committees, and executive/non-executive/independent directors through a peer evaluation, excluding the director being evaluated.

To improve effectiveness of the Board and its committees, as well as that of each of independent director, a formal and rigorous Board review is internally undertaken on annual basis. The process took the form of questionnaires given to executive and independent directors.

2. Criteria for evaluation of the Individual Directors
 - i) Ability to contribute and monitor corporate governance practices;
 - ii) Ability to contribute by introducing best practices to address top management issues;
 - iii) Participation in long term strategic planning;
 - iv) Commitment to the fulfillment of director obligations and fiduciary responsibilities;
 - v) Guiding strategy;
 - vi) Monitoring management performance and development;
 - vii) Statutory compliance & Corporate governance;
 - viii) Attendance and contribution at Board/Committee meetings;
 - ix) Time spent by each of the member; and
 - x) Core competencies

Nomination and remuneration policy

The objectives of the Policy

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer Companies.
3. To carry out evaluation of the performance of Directors,
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The brief Nomination and Remuneration policy is annexed to this report.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The outcome of the Board evaluation for fiscal 2017 was discussed by the nomination and remuneration committee at the meeting held on May, 24, 2017.

The committee makes a periodic appraisal of the performance of the executive directors based on a detailed performance matrix.

Board Committees

All Committees of the Board of Directors are in line with the provisions of the Companies Act, 2013 and the applicable SEBI (LODR) Regulations, 2015

Directors' Responsibilities Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors including Audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed that;

- i) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit or loss of the Company for the said period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts for the financial year ended March 31, 2017 on a "going concern" basis;
- v) they have laid down internal financial controls in the company that are adequate and were operating effectively and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Financial Statements

As required under the Listing Agreement entered into with the Stock Exchanges, consolidated financial statements of the Company and all its subsidiaries are attached. The audited financial statements of the Company are prepared in accordance with the new Indian Accounting Standards (Ind AS) and are audited by the statutory auditors of the company, for the year ended March 31, 2017. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies.

Indian Accounting Standards (Ind AS) – IFRS Converged Standards

Your Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2016 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 as notified by the Ministry of Corporate Affairs on February 16, 2015. Accordingly, your Company has prepared financial results on standalone basis as per Ind-AS for the first three quarters of the FY 2016-17 and on and from the period ending March 31, 2017, the formats for Unaudited/Audited quarterly financial results i.e. Statement of Profit and Loss and the Unaudited/Audited Half-Yearly Balance Sheet are to be submitted to the stock exchanges, shall be as per the formats for revised Balance Sheet and Statement of Profit and Loss as prescribed in Schedule III to the Companies Act, 2013.

Secretarial Auditors

The Board had appointed M/s Narendar & Associates, Company Secretaries in Whole-time Practice to carry out the Secretarial Audit under the provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder. The report of the Secretarial Auditor in Form MR-3 is enclosed to this report as Annexure B.

Statutory Auditors

M/s. S R Batliboi & Associates LLP, the existing Auditors, were appointed on September 13, 2002, as the Statutory Auditors of the Company for auditing the annual financial statements of the Company from the financial year 2002-03 and have completed the permissible period of two terms of five years each.

As per second proviso to Section 139(2) of the Companies Act, 2013 ('the Act'), the existing auditors have completed their term of ten years at the commencement of the said Act, hence on their completing the additional transition period of three years provided under the Act, the term of existing auditors expires at the conclusion of the ensuing 23rd AGM.

The Board at its meeting held on August 11, 2017, based on the recommendations of the Audit Committee has recommended the appointment of Price Waterhouse Chartered Accountants LLP (Firm Registration No: 012754N/N500016) as Statutory Auditors subject to approval by the members.

Price Waterhouse Chartered Accountants LLP, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Price Waterhouse Chartered Accountants LLP will be appointed as statutory auditors of the Company from the conclusion of 23rd AGM till the conclusion 28th AGM, covering a term of five consecutive years, subject to a ratification by the members at each intervening annual general meeting, on a remuneration, out-of-pocket expenses, incurred in connection with the audit as may be decided by the Audit Committee in consultation with the auditors from year to year and approved by the Board. Accordingly, the Board recommends their appointment at this AGM.

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation.

Management's response on the Statutory Auditors Qualification / Comments (if any)

GVK Coal (Tokisud) Private Limited was incorporated for developing a coal mine with minable reserve of 52 Million Tons (geological reserve of around 92 Million Tons) in the state of Jharkhand as a captive coal mine to meet the requirements of coal of one of the step down subsidiary i.e. GVK Power (Goindwal Sahib) Limited, which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab.

The Honorable Supreme Court vide its decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and had cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honorable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ petition before the Hon'ble High Court of Delhi challenging the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block as Rs.11,129 Lakhs against the carrying value of assets of Rs.311,15 Lakhs. The Hon'ble High court had passed an order 09.03.2017. In the order, Hon'ble High court has agreed that taking restricting compensation to the computed written down value as on 31.03.2014 may not be correct and valuation of the mine infrastructure should be done as on the date of execution of the vesting order or allotment order as the case may be. Court has advised the management to raise disputes before the tribunal for the quantum of compensation. Based on the management's judgment the Company has resubmitted its claim for balance compensation to nominated authority on 28th April 2017. Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision was required to be made on carrying value of assets.

Awards and recognitions

Following are some of the awards and recognitions that your Company / its Subsidiaries / Associates received during the current year.

Certifications, Recognitions and Awards for Bengaluru International Airport (BIAL)

- BIAL has won the Skytrax Award 2017 for the Best Airport in India and Central Asia category.
- Kempegowda International Airport, Bengaluru has been recognized at the Quality Circle Forum of India 2016. All the thirteen entries submitted has been awarded the Gold recognition, the highest standard at the forum.

- c) Kempegowda International Airport, Bengaluru has won the Excellence Award 2016 for being IATA e-freight compliant Airport - South.
- d) Kempegowda International Airport, Bengaluru has won the Best Cargo Airport 2016 – Region: West & South and Best Airport Cargo Marketing Team - 2016, Region: West & South.
- e) BIAL received the GreenCo Platinum rating from CII Green Building Council (GBC) and the “Most Innovative” (top category) in GreenCo Best Practice Award – 2016 and also bagged the “Most useful project presentation” award during the event for the presentation on “Reduction & Optimization of pesticides at Kempegowda International Airport”.
- f) Successful renewal of Airport Carbon Accreditation at Level 3 i. e. Optimization Level from Airport Council International in May 2016. This Accreditation is valid from 4th May 2016 to 3rd May 2017.
- g) IT Service Management (ITSM) – ISO 20000, ISO 27001 – Information Security Management, Integrated Management System (IMS): ISO 9000 - Quality Management System and ISO 14001 - Environment Management System have all been renewed successfully.

Certifications, Recognitions and Awards for Mumbai International Airport Private Limited (MIAL)

Awards, Accolades and Accreditation

- a) CSIA was adjudged as 2nd best airport globally in the ‘over 40 million passengers’ category by Airports Council International for airport service quality in 2016.
- b) GVK MIAL has been awarded as the ‘Best Airport Staff’ award in India & Central Asia at the Skytrax Awards 2017.
- c) GVK MIAL ranks in the Top 10 ‘Best Airport Terminals’ at the Skytrax Awards 2017.
- d) GVK MIAL has been awarded as ‘Highly Commended Airport for Marketing’ award in Asia Pacific region in the over 20 million passengers’ category.
- e) GVK MIAL ranked as the Second Best Airport globally and in Asia Pacific by Airport Council International’s Airport Service Quality Awards 2016.
- f) GVK CSIA has been awarded with the “Best Executed Landmark Project of the Year (Airport)” at the Construction Times Award 2016.
- g) GVK MIAL has been awarded ‘Air Cargo Terminal’ of the year 2016 at Logistics Asia Awards.
- h) GVK MIAL has been awarded “BE Star” recognition as Leader for Excellence in Customer Management;
- i) GVK MIAL has received the “Sustainable Carbon Management Practice Award” from World CSR Congress;
- j) GVK CSIA has won Procurement Excellence Awards at the 4th Procurement Strategies Forum 2016;
- k) GVK MIAL has won the ICI Dr. Ramakrishna Award 2016 for Best Project with Pre-cast Concrete in India;
- l) GVK CSIA has won award for Excellence in Travel Retail Infrastructure 2016 by Indian Retail Forum;
- m) GVK CSIA has been awarded as “Best Metro Airport 2015-16” by Air Passenger Association of India;
- n) GVK CSIA has been inducted in the ACREX Hall of Fame for its world class design, architecture, infrastructure and operational efficiency.

Particulars of Loans given, Investments made and Guarantees given and Securities provided:

Particulars of loans given, investments made, guarantees given and securities provided under Sec 186 of the Companies Act, 2013 forms part of the Notes to the financial statements are provided in this Annual Report

Contracts and Arrangements with the Related Parties:

All the related party transactions that were entered during the financial year were on an arm’s length basis and were in the ordinary course of business. These transactions, for a financial year, are placed before the Audit Committee and the Board for their prior approvals. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on a materiality of related party transactions.

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed Form AOC-2, is appended as **Annexure C** to the Board’s report.

Extract of Annual Report

An extract of the Annual Return for the financial year ended 31st March, 2017 as required under section 92(3) of the Act is enclosed herewith, in the specified format, as Annexure - D

Internal Control Systems and their adequacy

The Management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee periodically reviews internal audit reports and effectiveness of internal control systems.

Apart from the above, the Company is in consultations with the external and independent consultants to have a policy for development and implementation of risk management for the company including identification of elements of risk, if any, that may threaten the existence of the Company and a mechanism to mitigate the same. Once the above policy is finalized, the same will be adopted by the Board and uploaded in the website of the Company thereafter.

Public Deposits

During the year under review, your Company has neither invited nor accepted any fixed deposits from the public.

Vigil Mechanism

In terms of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with the whistle blower policy. The Vigil Mechanism and whistle blower policy have been uploaded on the website of the Company. The same can be accessed at the link www.gvk.comunderinvestorrelations/investors/codeofconduct.

Corporate Social Responsibility

Since, there are no average net profits for the Company during the previous three financial years, there are no specific funds that are required to be set aside and spent by the Company during the year under review.

Members can access the CSR Policy on the website of the Company at link [www.gvk.comunderinvestorrelations/investors/corporategovernance/ CSR Policy](http://www.gvk.comunderinvestorrelations/investors/corporategovernance/CSR%20Policy)

Particulars of employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, none of the employees are in receipt of the remuneration which is in excess of the limits as specified in the regulation.

Disclosures pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are enclosed to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

(A) Conservation of Energy:

- (i) the steps taken or impact on conservation of energy : NA
- (ii) the steps taken by the company for utilising alternate sources of energy : NA
- (iii) the capital investment on energy conservation equipments; : NA

(B) Technology absorption:

- (i) the efforts made towards technology absorption; : NA
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; : NA
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : NA
 - (a) the details of technology imported;

- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
- (iv) the expenditure incurred on Research and Development. :

Expenditure on R& D

(Rs. In lakhs)

S.No.	Particulars	2016-17	2015-16
A	Capital	Nil	Nil
B	Recurring	Nil	Nil
C	Total	Nil	Nil
D	Total R&D expenditure as a percentage of total turnover	Nil	Nil

(C) Foreign exchange earnings and Outgo:

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 5 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements

The Directors of your Company thank the Government of India, various State Governments and their concerned Department / Agencies / Regulatory Authorities for their continued support and cooperation. The Directors also wish to place on record the support extended by various Banks, Financial Institutions and every stakeholder of the Company.

The Directors further wish to appreciate and value the contributions made by every employee of the GVK Family.

For and on behalf of the Board of Directors

Place : Hyderabad

Date : August 11, 2017

Dr G V K Reddy
Chairman & Managing Director

Holding Company

GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2017)

1. GVK Energy Limited
2. GVK Airport Developers Limited
3. GVK Transportation Private Limited
4. GVK Oil & Gas Limited
5. GVK Perambalur SEZ Private Limited
6. GVK Developmental Projects Private Limited
7. Goriganga Hydro Power Private Limited
8. GVK Airport Services Pvt Ltd

Step Down Subsidiaries (As on March 31, 2017)

1. GVK Industries Limited
2. GVK Gautami Power Limited
3. Alaknanda Hydro Power Company Limited
4. GVK Power (Goindwal Sahib) Limited
5. GVK Coal (Tokisud) Company Private Limited
6. GVK Ratle Hydro Electric Project Private Limited
7. GVK Power (Khadur Sahib) Private Limited
8. GVK Airport Holdings Private Limited
9. Bangalore Airport & Infrastructure Developers Private Limited
10. GVK Airports International Pte Ltd, Singapore
11. Mumbai International Airport Private Limited
12. GVK Jaipur Expressway Private Limited
13. Sutara Roads and Infrastructure Pvt Ltd.
14. GVK Deoli Kota Expressway Private Limited
15. GVK Bagodara Vasad Expressway Private Limited
16. GVK ShivpuriDewas Expressway Private Limited
17. GVK Energy Ventures Private Limited
18. PT GVK Services, Indonesia

Associate (As on March 31, 2017)

Seregarha Mines Limited

Annexures

Annexure A

FORM NO. AOC-1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	GVK ENERGY LTD	GVK AIRPORT DEVELOPERS LTD	GVK TRANSPORTATION PVT LTD	GORIGANGA HYDRO POWER PVT LTD	GVK OIL & GAS LTD	GVK PERAMBALUR SEZ PVT LTD	GVK DEVELOPMENTAL PROJECTS PVT LTD	GVK AIRPORT SERVICES PVT LTD
Reporting period for subsidiary concerned, if different from the holding company's reporting period	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	01-04-2016 to 31-03-2017	"01-04-2016 to 31-03-2017"	01-04-2016 to 31-03-2017
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR	INR	INR
Share Capital	88,831	30,000	3,770	1	5	1	1	19
Other Equity #	171,470	(150,701)	(23,806)	(36)	(759)	4,522	4,339	(2)
Total Assets	353,561	237,249	72,658	126	136	13,793	30,116	17
Total Liabilities	353,561	237,249	72,658	126	136	13,793	30,116	17
Investments *	345,352	166,267	70,870	-	-	-	21,207	-
Turnover	3,659	6,374	-	-	-	-	-	-
Profit before Taxation	(3,790)	(35,955)	1,138	(32)	4	(18)	(930)	(2)
Provision for taxation	572	1,661	22	-	1	(165)	-	-
Profit after taxation	(4,362)	(37,616)	1,116	(32)	3	146	(930)	(2)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	62.80	100	100	100	100	100	100	100

Including borrowings in the nature of equity

* Including Deemed Investments

Part “B”: Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associate	Seregarha Mines Limited
1	Latest audited Balance Sheet Date	31-03-2017
2	Shares of Associate held by the company on the year end	27.91%
	No.	4,933,078
	Amount of Investment in Associates / Joint Venture	-
	Extent of Holding %	44.45%
3	Description of how there is significant influence	We have power to participate in the financial and / or operating policy decisions of the investee but not control over these policies
4	Reason why the associate / joint venture is not consolidated	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	493 Lakhs
6	Profit / Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not considered in Consolidation	Not applicable

For and on behalf of the Board of Directors

Place : Hyderabad

Date : August 11, 2017

Dr G V K Reddy
Chairman & Managing Director

Annexure B

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)

for the financial year ended 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s GVK Power & Infrastructure Limited
(CIN: L74999AP2005PLC059013)
Paigah House, 156-159, Sardar Patel Road
Secunderabad – 500003.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. GVK Power & Infrastructure Limited (hereinafter referred to as the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Based on our verification of the Company's secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion the Company has, during the financial year ended on 31st March, 2017 (audit period), complied with all the statutory provisions listed hereunder and proper Board-processes and compliance-mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the secretarial records, documents, books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

- c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. The Company being an “Ultimate Holding Company” and without any manufacturing/ production activities on its own, most of the Labour Laws are not applicable to the company. However, the Company is complying with the provisions of The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and The Payment of Gratuity Act, 1972.
7. As regards compliance of Environmental Laws, as may be applicable to the company, we state that the company doesn’t have any manufacturing unit, since it is a Holding Company. As per the Management, the respective subsidiary / associates of the company are complying with the applicable Environmental Laws. Therefore, the company need not comply with any specific Environmental Laws by itself.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We further report that

The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not entered into / carried out any activity that has major bearing on the Company’s affairs.

For NARENDER & ASSOCIATES
Company Secretaries

G NARENDER
Proprietor

Place : Hyderabad
Date : 18.05.2017

FCS:4898, CoP:5024

Annexure C

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

(Rs in lakhs)

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
Nature of contract :				
Fees for Services rendered :				
GVK Gautami Power Ltd	Subsidiary	During the terms of PPA	O & M Service	1,150
Mumbai International Airport Pvt Ltd	Subsidiary	5 years	Manpower & Consultancy Service	1,442
GVK Jaipur Expressway Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	224
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	116
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	102
GVK Transportation Private Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	138
GVK Projects & Technical Services Ltd	Group company	Till loan is paid	Corporate Guarantee Commission	34
GVK Energy Limited	Subsidiary	Till loan is paid	Corporate Guarantee Commission	126
GVK Coal Developers (Singapore) Pte Ltd	Group company	Till loan is paid	Corporate Guarantee Commission	1,138
Reimbursement of expenses (Billable expenses):				
GVK Gautami Power Ltd	Subsidiary	During the terms of PPA	O & M Service	412
Services received:				
GVK Technical & Consultancy Services Pvt Ltd	Group company	5 years	Manpower Service	151
TAJ GVK Hotels & Resorts Limited	Group company	Yearly	Hospitality Services	2
Orbit Travels & Tours Private Limited	Group company	5 years	Cost of flights Services	2
Investment in equity / preference shares				
GVK Energy Limited	Subsidiary	Not applicable	Equity shares allotment	5,118
GVK Coal Developers (Singapore) Pte Limited	Group company	Not applicable	preference shares allotment	26,479
GVK Airport Services Private Limited	Subsidiary	Not applicable	Equity shares allotment	18
Loans/advances given/expenditure incurred on behalf				
GVK Industries Ltd	Subsidiary	Not applicable	Advance given	2
Mumbai International Airport Private Limited	Subsidiary	Not applicable	Advance given	12
GVK Jaipur Expressway Pvt Ltd	Subsidiary	Not applicable	Advance given	103
GVK Bagodara Vasad Expressway Pvt Ltd	Subsidiary	Not applicable	Advance given	0
Alaknanda Hydro power Co Ltd	Subsidiary	Not applicable	Advance given	2
Goriganga Hydro Power Pvt Ltd	Subsidiary	Not applicable	Advance given	76
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Advance given	0
GVK Airport Developers Ltd	Subsidiary	Not applicable	Advance given	19,087

Name (s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Not applicable	Advance given	0
GVK Transportation Pvt Ltd	Subsidiary	Not applicable	Advance given	
GVK Perambalur SEZ Pvt Ltd	Subsidiary	Not applicable	Advance given	19
GVK Developmental Projects Pvt Ltd	Subsidiary	Not applicable	Advance given	9,307
GVK Energy Limited	Subsidiary	Not applicable	Advance given	2,782
GVK Oil & Gas Limited	Subsidiary	Not applicable	Advance given	3
Bangalore International Airport Ltd	Associate	Not applicable	Advance given	4
GVK Deoli Kota Expressway Private Limited	Subsidiary	Not applicable	Advance given	2
GVK Airport Services Private Limited	Subsidiary	Not applicable	Advance given	0
Loans/advances recovered:				
GVK Industries Ltd	Subsidiary	Not applicable	Advance recovered	5
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Advance recovered	22
GVK Airport Developers Ltd	Subsidiary	Not applicable	Advance recovered	47,617
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Not applicable	Advance recovered	0
GVK Transportation Pvt Ltd	Subsidiary	Not applicable	Advance recovered	16,580
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance recovered	2,500
GVK Developmental Projects Pvt Ltd	Subsidiary	Not applicable	Advance recovered	9,257
GVK Energy Limited	Subsidiary	Not applicable	Advance recovered	541
Bangalore International Airport Limited	Subsidiary	Not applicable	Advance recovered	1
GVK Employee Welfare Trust	Subsidiary	Not applicable	Advance recovered	339
Share application money given:				
GVK Coal Developers (Singapore) Pte Ltd	Group company	Not applicable	Share Application money given	26,058
Share application money recovered:				
GVK Coal Developers (Singapore) Pte Ltd	Group company	Not applicable	Share Application money recovered	53
Interest income on financial assets/Excess provision written back:				
GVK Airport Developers Limited	Subsidiary	Till the loan is paid	Guarantees given	1,101
GVK Projects and Technical Services Limited	Group company	Till the loan is paid	Guarantees given	3
GVK Energy Limited	Subsidiary	Till the loan is paid	Guarantees given	15
GVK Coal Developers (Singapore) Pte Ltd	Group company	Till the loan is paid	Guarantees given	2,147
Guarantees given:				
GVK Airport Developers Ltd	Subsidiary	Till the loan is paid	Guarantees given	19,071
Guarantees released:				
GVK Jaipur Expressway Pvt Ltd	Subsidiary	Not applicable	Not applicable	7,537
GVK Airport Developers Limited	Subsidiary	Not applicable	Not applicable	62,595
GVK Transportation Pvt Ltd	Subsidiary	Not applicable	Not applicable	33,778
GVK Projects & Technical Services Ltd	Group company	Not applicable	Not applicable	2,006
Bangalore Airport & Infrastructure Developers Private Limited	Subsidiary	Not applicable	Not applicable	4,200
GVK Coal Developers (Singapore) Pte Ltd	Group company	Not applicable	Not applicable	8,493
Director Sitting fees:				
Mr G V Sanjay Reddy	Director		Not applicable	1
Mr Krishna R Bhupal	Director		Not applicable	1
Advances and Investments written off/Fair value loss:				
Goriganga Hydro Power Private Limited	Subsidiary	One time	Not applicable	4,847
GVK Employee Welfare Trust	Subsidiary	One time	Not applicable	327
GVK Coal Developers (Singapore) Pte Ltd	Group company	One time	Fair Value Loss as per the terms of preference shares redemption	22,498
Loan taken				
Sutara Roads & Infra Limited	Subsidiary	One time	Loan taken	8,620

Annexure D

EXTRACT OF ANNUAL RETURN
FORM NO. MGT 9
as on financial year ended on 31.03.2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014.)

I. REGISTRATION & OTHER DETAILS:

i	CIN	L74999AP2005PLC059013
ii	Registration Date	20-04-2005
iii	Name of the Company	GVK POWER & INFRASTRUCTURE LIMITED
iv	Category/Sub-category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office & contact details	156-159, 'Paigah House' Sardar Patel Road, Secunderabad 500013
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032 Tel: +91 40 67161700 Fax: +91 40 23114087

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company	
1	O&M Power Plants	NIL	Guarantee commission	23%
			Manpower & Consultancy Services	16%
			Operating fees	20%
			Financial guarantees and debt instruments	35%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES:

SI No	NAME OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
Subsidiaries (As on March 31, 2017)					
1	GVK ENERGY LIMITED	U40102AP2008PLC058683	SUBSIDIARY	62.80	Section 2(87)
2	GVK AIRPORT DEVELOPERS LIMITED	U62200TG2005PLC046510	SUBSIDIARY	100	Section 2(87)
3	GVK TRANSPORTATION PRIVATE LIMITED	U63030TG2009PTC064808	SUBSIDIARY	100	Section 2(87)
4	GVK OIL&GAS LIMITED	U40105TG2008PLC057645	SUBSIDIARY	100	Section 2(87)
5	GVK PERAMBALUR SEZ PRIVATE LIMITED	U45209DL2006PTC156157	SUBSIDIARY	100	Section 2(87)
6	GVK DEVELOPMENTAL PROJECTS PRIVATE LIMITED	U74140DL2006PTC156789	SUBSIDIARY	100	Section 2(87)
7	GORIGANGA HYDRO POWER PRIVATE LIMITED	U40101TG2006PTC073854	SUBSIDIARY	100	Section 2(87)
8	GVK AIRPORT SERVICES PRIVATE LIMITED	U45400TG2007PTC054816	SUBSIDIARY	100	Section 2(87)
Step Down Subsidiaries (As on March 31, 2017)					
1	GVK INDUSTRIES LIMITED	U74999AP1992PLC014388	SUBSIDIARY	100	Section 2(87)
2	GVK GAUTAMI POWER LIMITED	U40102TG1996PLC024970	SUBSIDIARY	63.60	Section 2(87)
3	ALAKNANDA HYDRO POWER COMPANY LIMITED	U40100TG1996PLC074796	SUBSIDIARY	100	Section 2(87)
4	GVK POWER (GOINDWAL SAHIB) LIMITED	U40109TG1997PLC028483	SUBSIDIARY	100	Section 2(87)
5	GVK COAL (TOKISUD) COMPANY PRIVATE LIMITED	U10101TG2005PTC047275	SUBSIDIARY	100	Section 2(87)
6	GVK RATLE HYDRO ELECTRIC PROJECT PRIVATE LIMITED	U40108TG2010PTC069067	SUBSIDIARY	100	Section 2(87)
7	GVK POWER (KHADUR SAHIB) PRIVATE LIMITED	U40102TG2011PTC073797	SUBSIDIARY	99	Section 2(87)
8	GVK AIRPORT HOLDINGS PRIVATE LIMITED	U62200TG2005PTC046505	SUBSIDIARY	100	Section 2(87)
9	BANGALORE AIRPORT & INFRASTRUCTURE DEVELOPERS PRIVATE LIMITED	U45200TG2006PTC051693	SUBSIDIARY	100	Section 2(87)
10	GVK AIRPORTS INTERNATIONAL PTE LTD, SINGAPORE	NA	SUBSIDIARY	100	Section 2(87)
11	MUMBAI INTERNATIONAL AIRPORT PRIVATE LIMITED	U45200MH2006PTC160164	SUBSIDIARY	50.50	Section 2(87)
12	GVK JAIPUR EXPRESSWAY PRIVATE LIMITED	U45203AP2002PTC063406	SUBSIDIARY	100	Section 2(87)
13	SUTARA ROADS AND INFRASTRUCTURE PRIVATE LIMITED		SUBSIDIARY	100	Section 2(87)
14	GVK DEOLI KOTA EXPRESSWAY PRIVATE LIMITED	U45209TG2010PTC067999	SUBSIDIARY	99.97	Section 2(87)
15	GVK BAGODARA VASAD EXPRESSWAY PRIVATE LIMITED	U45200TG2011PTC072500	SUBSIDIARY	99.49	Section 2(87)
16	GVK SHIVPURI DEWAS EXPRESSWAY PRIVATE LIMITED	U45400TG2011PTC076856	SUBSIDIARY	100	Section 2(87)
17	GVK ENERGY VENTURES PRIVATE LIMITED	U45203TG2004PTC081081	SUBSIDIARY	100	Section 2(87)
18	PT GVK SERVICES,INDONESIA	NA	SUBSIDIARY	97	Section 2(87)
Associates (As on March 31, 2017)					
1	SEREGARHA MINES LIMITED	U10101JH2008PLC013089	ASSOCIATE	44.45	Section 2(6)

IV. shareholding pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

CATE- GORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A) PROMOTER AND PROMOTER GROUP										
(1)	INDIAN									
(a)	Individual /HUF	260422905	0	260422905	16.49	123835438	0	123835438	7.84	8.65
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	596306435	0	596306435	37.76	732893902	0	732893902	46.41	-8.65
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1)	856729340	0	856729340	54.25	856729340	0	856729340	54.25	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	856729340	0	856729340	54.25	856729340	0	856729340	54.25	0.00
(B) PUBLIC SHAREHOLDING										
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	72558	0	72558	0.00	62000	0	62000	0.00	0.00
(b)	Financial Institutions /Banks	2330621	3000	2333621	0.15	3142240	3000	3145240	0.20	-0.05
(c)	Central Government / State Government(s)	6330000	0	6330000	0.40	6330000	0	6330000	0.40	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	8182011	0	8182011	0.52	8182011	0	8182011	0.52	0.00
(f)	Foreign Institutional Investors	139469360	0	139469360	8.83	105755780	0	105755780	6.70	2.13
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1):	156384550	3000	156387550	9.90	123472031	3000	123475031	7.82	2.08
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	94525686	547031	95072717	6.02	86009862	539531	86549393	5.48	0.54
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.2 lakh	358272251	1251983	359524234	22.77	401199051	1241494	402440545	25.48	-2.72
	(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	72788182	0	72788182	4.61	79958647	0	79958647	5.06	-0.45
(c)	Others									
	CLEARING MEMBERS	2455075	0	2455075	0.16	2972288	0	2972288	0.19	-0.03
	NON RESIDENT INDIANS	23648864	87700	23736564	1.50	22755677	87700	22843377	1.45	0.06
	NRI NON-REPATRIATION	0	0	0	0.00	3850426	0	3850426	0.24	-0.24
	OVERSEAS CORPORATE BODIES	0	375000	375000	0.02	0	375000	375000	0.02	0.00
	TRUSTS	12141738	0	12141738	0.77	16353	0	16353	0.00	0.77
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2)	563831796	2261714	566093510	35.85	596762304	2243725	599006029	37.93	-2.08
	Total B=B(1)+B(2)	720216346	2264714	722481060	45.75	720234335	2246725	722481060	45.75	0.00
	Total (A+B)	1576945686	2264714	1579210400	100.00	1576963675	2246725	1579210400	100.00	0.00
(C)	Shares held by custodians, against which Depository Re-ceipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C)	1576945686	2264714	1579210400	100.00	1576963675	2246725	1579210400	100.00	0.00

(ii) Share Holding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	G INDIRA KRISHNA REDDY	2,86,22,290	1.81	0.00	0	0.00	0.00	0.00
2	G V SANJAY REDDY	5,64,00,154	3.57	0.00	5,57,25,951	3.53	0.00	(0.04)
3	VERTEX PROJECTS LIMITED	59,63,06,435	37.76	0.00	73,28,93,902	46.41	0.00	8.65
4	KRISHNA R BHUPAL	2,51,33,435	1.59	0.00	3,71,50,630	2.35	0.00	0.76
5	G APARNA REDDY	6,44,00,154	4.08	0.00	0	0.00	0.00	0.00
6	SHALINI BHUPAL	4,29,33,436	2.72	0.00	0	0.00	0.00	0.00
7	G V KRISHNA REDDY	3,90,63,435	2.47	0.00	3,09,58,857	1.96	0.00	(0.51)
	Total	85,67,29,340	54.25	0	85,67,29,340	54.25	0	0

(iii) Change in Promoters' Shareholding (Specify if there is no change)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Dr GVK Reddy				
	At the beginning of the year	3,90,63,435	2.47	3,90,63,435	2.47
	Acquisition on 11-05-2016	2,60,42,291	1.65	6,51,05,726	4.12
	Sale on 06-12-2016	(2,37,13,536)	(1.50)	4,13,92,190	2.62
	Sale on 31-01-2016	(1,04,33,333)	(0.66)	3,09,58,857	1.96
	At the end of the year	3,09,58,857	1.96	3,09,58,857	1.96
2	Mr. G V Sanjay Reddy				
	At the beginning of the year	5,64,00,154	3.57	5,64,00,154	3.57
	Acquisition on 21-04-2016	21,95,000	0.14	5,85,95,154	3.71
	Acquisition on 11-05-2016	5,85,95,154	3.71	11,71,90,308	7.42
	Sale on 6-12-2016	(4,26,84,357)	(2.70)	7,45,05,951	4.72
	Sale on 23-02-2017	(1,87,80,000)	(1.19)	5,57,25,951	3.53
	At the end of the year	5,57,25,951	3.53	5,57,25,951	3.53
3	Mr. Krishna R Bhupal				
	At the beginning of the year	2,51,33,435	1.59	2,51,33,435	1.59
	Acquisition on 21-04-2016	1,39,30,000	0.88	3,90,63,436	2.47
	Acquisition on 11-05-2016	3,90,63,436	2.47	7,81,26,872	4.95
	Sale on 6-12-2016	(2,84,56,241)	1.80	4,96,70,631	3.14
	Sale on 23-02-2017	(1,25,20,000)	0.79	3,71,50,630	2.35
	At the end of the year	3,71,50,630	2.35	3,71,50,630	2.35
4	Vertex Projects Limited				
	At the beginning of the year	59,63,06,435	37.76	59,63,06,435	37.76
	Acquisition on 06-11-2016	9,48,54,134	6.00	69,11,60,569	43.77
	Acquisition on 23-02-2017	4,17,33,333	2.64	73,28,93,902	46.41
	At the end of the year	73,28,93,902	46.41	73,28,93,902	46.41
5	G Indira Krishna Reddy	2,86,22,290	1.81	0	0.00
6	Shalini Bhupal	4,29,33,436	2.72	0	0.00
7	Aparna Reddy	6,44,00,154	4.07	0	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	HSBC GLOBAL INVESTMENT FUNDS	6,36,05,482	4.03	5,71,35,461	3.62
2	COPTHALL MAURITIUS INVESTMENT LIMITED	1,83,94,477	1.16	0	0.00
3	GVK EMPLOYEES WELFARE TRUST	1,21,25,885	0.77	0	0.00
4	HSBC(BANK)MAURITIUS LIMITED	1,18,01,589	0.75	0	0.00
5	HSBC INDIAN EQUITY EQUITY FUND	0.00	0.00	2,22,72,949	1.41
6	MV SCIF MAURITIUS	51,66,289	0.33	67,09,053	0.42
7	LIFE INSURANCE CORPORATION OF INDIA	81,82,011	0.52	81,82,011	0.52

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
8	AKASH BHANSALI	77,73,793	0.49	77,73,793	0.49
9	SUSHIL SHEODUTTRAI SANGHAI	68,25,020	0.43	68,25,020	0.43
10	TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED	63,30,000	0.40	63,30,000	0.40
11	EDEL INVESTMENTS LIMITED	60,00,000	0.38	57,15,508	0.36
12	SANJIV DHIRESH BHAI SHAH	0	0.00	53,84,790	0.34
13	THE EMERGING MARKETS SMALL CAP SERIES OF THE DFA INVESTMENT TRUST COMPANY	0	0.00	52,89,365	0.33

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company

Shareholding of Key Managerial Personnel

1	Dr GVK Reddy				
	At the beginning of the year	3,90,63,435	2.47	3,90,63,435	2.47
	Acquisition on 11-05-2016	2,60,42,291	1.65	6,51,05,726	4.12
	Sale on 06-12-2016	(2,37,13,536)	(1.50)	4,13,92,190	2.62
	Sale on 31-01-2016	(1,04,33,333)	(0.66)	3,09,58,857	1.96
	At the end of the year	3,09,58,857	1.96	3,09,58,857	1.96
2	Mr. A Issac George				
	At the beginning of the year	2,700	0.00017	2,700	0.00017
	At the end of the year	2,700	0.00017	2,700	0.00017
3	Mr. P.V.Rama Seshu				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

Shareholding of Directors

4	Mr. G V Sanjay Reddy				
	At the beginning of the year	5,64,00,154	3.57	5,64,00,154	3.57
	Acquisition on 21-04-2016	21,95,000	0.14	5,85,95,154	3.71
	Acquisition on 11-05-2016	5,85,95,154	3.71	11,71,90,308	7.42
	Sale on 6-12-2016	(4,26,84,357)	(2.70)	7,45,05,951	4.72
	Sale on 23-02-2017	(1,87,80,000)	(1.19)	5,57,25,951	3.53
	At the end of the year	5,57,25,951	3.53	5,57,25,951	3.53
5	Mr. Krishna R Bhupal				
	At the beginning of the year	2,51,33,435	1.59	2,51,33,435	1.59
	Acquisition on 21-04-2016	1,39,30,000	0.88	3,90,63,436	2.47
	Acquisition on 11-05-2016	3,90,63,436	2.47	7,81,26,872	4.95
	Sale on 6-12-2016	(2,84,56,241)	1.80	4,96,70,631	3.14
	Sale on 23-02-2017	(1,25,20,000)	0.79	3,71,50,630	2.35
	At the end of the year	3,71,50,630	2.35	3,71,50,630	2.35
6	Mr. Ch G Krishna Murthy				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
7	Mr.S Balasubramanian				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
8	Mr. S Anwar				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
9	Mr. K Balarama Reddi				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil
10	Ms. Santha K John				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,452,036	138,871	-	1,590,907
ii) Interest due but not paid	17,200	-	-	17,200
iii) Interest accrued but not due	6,310	-	-	6,310
Total (i+ii+iii)	1,475,546	138,871	-	1,614,417
Change in Indebtedness during the financial year				
• Addition / (Reduction)	(46,177)	(30,748)	-	(76,925)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	1,405,488	108,123	-	1,513,611
ii) Interest due but not paid	18,875	-	-	18,875
iii) Interest accrued but not due	5,006	-	-	5,006
Total (i+ii+iii)	1,429,369	108,123	-	1,537,492

VI. Remuneration of Directors and Key Managerial Personnel

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager
		Dr GVK Reddy, Chairman & Managing Director
1	Gross salary	0.00
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
4	Commission	0.00
	- as % of profit	
	- others, specify...	
5	Others, please specify (perquisites)	0.00
	Total	

B) Remuneration to other directors

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Ch. G Krishna Murthy	Mr. S Balasu-bramanian	Mr. S. Anwar	Mr. K Balarama Reddi	Ms Santha K John	
1	Independent Directors						
	• Fee for attending board/ committee meetings	1.60	1.20	0.60	1.60	0.60	5.60
	• Commission						
	• Others, please specify						
	Total (1)	1.60	1.20	0.60	1.60	0.60	5.60
2	Other Non-Executive Directors	Mr G V Sanjay Reddy	Mr. Krishna R Bhupal	-	-	-	-
	• Fee for attending board/ committee meetings	0.80	0.80	-	-	-	2.40
	• Commission						
	• Others, please specify						
	Total (2)	0.80	0.80	-	-	-	2.40
	Total (1+2)	2.40	2.00	0.60	1.60	0.60	8.00

C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Rs. In lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary	27.00	0.00	27.00
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others - Leave Travel Allowance	0.40	0.00	0.40
	Group Medical Policy	0.175	0.00	0.175
	Group Personal Accident	0.02	0.00	0.02
	Total	27.60	0.00	27.60

VII. Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Disclosures pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial personnel) Rules, 2015

Sl. No.	Name of the Director/KMP and Designation	Remuneration of Director/KMP for financial year 2016-17 (Rs In lakhs)	% Increase in Remuneration in the Financial year 2016-17	Ratio of remuneration of each director/median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Dr. GVK Reddy* Chairman & Managing Director	--	---	---	Best efforts are being taken to reduce the losses. Hence not applicable
2.	A Issac George** Director & CFO	--	---	---	
3.	P V Rama Seshu AVP & Company Secretary	27.60	---	N A	

* CMD declined to take any salary until the company start making profits.

** Redesignated as Director & CFO with no vsalary.

I Remuneration to Non-Executive Directors

- The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.

- ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

II. Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

III. Remuneration Policy for Directors, Key Managerial Personnel and other Employees

1. Introduction

GVK Power & Infrastructure Limited (GVK PIL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of the Company.

“Key Managerial Personnel” means (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013

“Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

4. Policy

Remuneration to Executive Directors and Key Managerial Personnel:

The Board, on the recommendation of the, Nomination and Remuneration (NRC) Committee, shall review and approve the remuneration payable to the Whole- time Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

The remuneration structure to the Executive Directors and Key Managerial Personnel may include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Whole Time Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

5. Policy for Selection of Directors and determining Directors' Independence

1 Introduction

GVK PIL believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, GVK PIL ensures constitution of Board of Directors with

an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

GVK PIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. GVK PIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2 Scope and Exclusion:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

3 Terms and References:

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of a company.

“Nomination and Remuneration Committee”(NRC) means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

“Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

4. Policy

1. Qualifications and criteria

The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's operations.

In evaluating the suitability of individual Board members, the NRC Committee may take into account factors, such as:

- General understanding of the Company
- Business dynamics, global business
- Social perspective
- Educational and professional background
- Standing in the profession
- Personal and professional ethics, integrity and values
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number
- Shall not be disqualified under the Companies Act, 2013
- Shall give his/her written consent to act as a Director
- Shall endeavor to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel
- Shall disclose his/ her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his / her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity listing Agreements and other relevant laws. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

2. Criteria of Independence

The NRC shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director.

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Other directorships / committee memberships

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public limited Companies.

A Director shall not serve as an Independent Director in more than 7 listed Companies and not more than 3 listed Companies in case he/she is serving as a Whole-time Director in any listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he/she holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all public limited Companies, whether listed or not, shall be included and all other companies including Private limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Report on Corporate Governance

In compliance with the Listing Agreement entered into with the stock exchanges, the Company is providing below a report on the matters as mentioned in the said clause and practices followed by the Company.

Philosophy of the Company on the code of governance

The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in all interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholder value in terms of maximizing shareholder's benefits, over a sustained period of time.

Board of Directors

Size and composition of the Board

The policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The total strength of the Board as on March 31, 2017 is 9 (Nine) Directors comprising of Three Promoter Directors, Five Independent Directors and one Non-Independent Director. Among the Directors, Two are Executive (full time) Directors and 7 are Non-executive Directors as on March 31, 2017. The Board periodically evaluates the need for increasing or decreasing its size. Following is the present composition of our Board and their number of directorships in other companies as on 31-03-2017.

Name of the Director	Category	Director Identification Number	Relationship with other directors	Number of memberships in Board of other Public Limited Companies	+ Associated with other Committees of Public Limited Companies	
					Member	Chairman
Dr. GVK Reddy	Chairman & Managing Director	00005212	All promoter directors are relatives	5	-	-
G V Sanjay Reddy	Vice Chairman NEPD	00005282	All promoter directors are relatives	5	-	-
Krishna R Bhupal	NEPD	00005442	All promoter directors are relatives	4	-	-
A Issac George	NID	00005456	None	5	3	-
Ch G Krishna Murthy	NEID	01667614	None	4	-	1
S Balasubramanian	NEID	02849971	None	8	1	-
S Anwar	NEID	06454745	None	1	1	-
K Balarama Reddi	NEID	00012884	None	7	-	-
Santha K John	NEID	00848172	None	3	-	-
P V Prasanna Reddy*	NENI	01259482	None	2	1	-

* Appointed on 11th August, 2017

NEPD – Non-Executive Promoter Director NEID – Non-Executive Independent Director

NID – Non-Independent Director NENI – Non-Executive Non-independent Director

+ Committee memberships considered are of other companies only and those as required under the Code of Corporate Governance.

None of the directors is i) a board member in more than ten public limited companies ii) a member in more than ten committees; and iii) acting as a chairman in more than five committees across all companies in which he is a director.

Brief details of Directors seeking appointment and re-appointment at this Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Director	Mr. G V Sanjay Reddy	Mr. P V Prasanna Reddy
Date of Appointment	20th April, 2005	11th August, 2017
Date of Birth	18th November 1964	16th January, 1955
Qualifications	Bachelors Degree in Industrial Engineering from Purdue University, USA and MBA (Finance)	B.Sc (Honours)
Expertise in specific functional areas	He is also the Managing Director in Mumbai International Airport Private Limited and Bangalore International Airport Ltd apart from being the Director on the boards of various other companies in the GVK Group. He is the Chairman of CII National Committee on Transport Infrastructure. He is nominated by World Economic Forum as a Young Global Leader for 2007. He is the Chairman of the CII Young Indians apart from being a member of the Board of Trustees of the Jagdish and Kamla Mittal Museum of Indian Art, a museum dedicated to the cause of propagating Indian Art and Culture	He has over 40 years of experience in the business management and general administration. He was the Managing Director of Balaji Industrial Corporation Limited (Integrated Steel Plant with Manufacturing capacity of 1,00,000 MT of TOR 40 and TMT Bar), Balaji Biotech Limited (100% EOU, Integrated Shrimp Farming facility with Hatchery), Pearl Distilleries Limited (240 BPM Bottling Plant with Primary and Secondary Distillation), Trichy Steel Rolling Limited (Integrated Steel Plant with Melting and Foundry facility with 2,50,000 MT capacity). He has been associated with GVK Group in 2002 as President of GVK Jaipur Expressway Private Limited and has been instrumental in completing the 90.385 kms 6 Lane Expressway, a part of the 'Golden Quadrilateral' connecting 4 Metros and he also held various positions including Director (Projects) & CEO for Alaknanda Hydro Electric Project and as a Director in other GVK Group companies.
List of companies in which outside Directorship is held as on 31.03.2017	1) GVK Energy Ltd 2) Bangalore International Airport Ltd 3) GVK Airport Holdings Pvt Ltd 4) GVK Natural Resources Pvt Ltd 5) Inogen Laboratories Pvt Ltd 6) TAJ GVK Hotels & Resorts Ltd 7) GVK Gautami Power Ltd 8) Mumbai International Airport Pvt Ltd 9) SR Finance Pvt Ltd 10) GVK Davix Technologies Pvt Ltd 11) GVK DAVIX RESEARCH Pvt Ltd 12) Excelra Knowledge Solutions Pvt Ltd 13) GVK Bio Sciences Pvt Ltd 14) GVK Airport Developers Ltd 15) GVK Industries Pvt Ltd 16) GVK Jaipur Expressway Pvt Ltd 17) GVK Emergency Management & Research Institute 18) GVK EMRI (UP)	1) Alaknanda Hydro Power Co Ltd 2) Goriganga Hydro Power Pvt Ltd 3) GVK Power (Goindwal Sahib) Ltd 4) GVK Jaipur expressway Pvt Ltd 5) GVK Transportation Pvt Ltd
Chairman/Member of the Committees* of other Companies in which he/she is a member as on 31.03.2017	Nil	Member of Audit Committee in GVK Power (Goindwal Sahib) Ltd Mr. P V Prasanna Reddy doesn't hold any shares in the Company and is not related to any of the Directors on the Board.

Board Meetings held during the Year

The Board of Directors met four times during the year on May 20, 2016, August 31, 2016, November 30, 2016 and February 14, 2017. The maximum gap between the two meetings was less than four months.

Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2016-17.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. GVK Reddy	4	4	-	Yes
G V Sanjay Reddy	4	4	80,000	Yes
Krishna R Bhupal	4	4	80,000	Yes
A Issac George	4	4	-	Yes
Ch G Krishna Murthy	4	4	80,000	Yes
S Balasubramanian	4	3	60,000	Yes
S Anwar	4	3	60,000	Yes
K Balarama Reddi	4	4	80,000	Yes
Santha K John	4	3	60,000	Yes
P V Prasanna Reddy*	-	-	-	-

* Appointed on 11th August, 2017

Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed.

The information regularly supplied to the Board includes:

- Annual operating plans and budgets, capital budgets and updates
- Periodic Financial Statements
- Minutes of meetings of audit, compensation and investor grievance committee of the Company along with board minutes of the subsidiary companies, General notices of interest
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important litigations, show cause, demand, prosecution and penalty
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
- Any materially relevant default in financial obligations to and by us
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant development on the human resources front
- Sale of material, nature of investments in subsidiaries and assets, which are not in the normal course of business
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

Code of Conduct

The Board of Directors of the Company has laid a code of conduct for Directors and the senior management. The code of conduct is posted on the Company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by Dr. GVK Reddy, Chairman & Managing Director is annexed to this report.

Audit Committee

In terms of Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Audit Committee constituted by the Board consists of only Non-Executive and Independent Directors. The committee had met four times on May 20, 2016, August 30, 2016, November 29, 2016 and February 13, 2017. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
Ch G Krishna Murthy	Chairman	4	4
S Balasubramanian	Member	4	3
K Balarama Reddi	Member	4	4

The terms of reference as stipulated by the Board to the Audit Committee include:

- a) Review of the Company's financial reporting process and disclosure of its financial information.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and recommending payment for any other services.
- c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
 - (i) Changes in accounting policies and practices
 - (ii) Major accounting entries involving estimates based on the exercise of judgment by the management
 - (iii) Qualifications in the draft audit report
 - (iv) Significant adjustments arising out of audit
 - (v) The going concern assumption
 - (vi) Compliance with accounting standards
 - (vii) Compliance with stock exchange and legal requirements concerning financial statements
 - (viii) Disclosure of any related party transactions
- d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Discussion with internal auditors of any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

The committee is in compliance with its requirements under this charter.

Nomination & Remuneration Committee

This Committee comprises of following three Non-Executive Independent Directors.

S Anwar	-	Chairman
Ch G Krishna Murthy	-	Member
K Balarama Reddi	-	Member

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors, Key Managerial Personnel and other senior executives one level below the Board, apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices. This Committee meets as and when required.

Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee comprises of following three Directors and the majority of whom are Non-Executive Independent Directors.

Ch G Krishna Murthy	-	Chairman
A Issac George	-	Member
S Anwar	-	Member

The Shareholders'/Investors' Grievance Committee reviews and redresses all the grievances periodically and meets as and when required.

Details of complaints received / resolved during the financial year 2016-17

Nature of Complaint	Received	Resolved	Pending
Non receipt of Refund Order	0	0	0
For Non-receipt of			
- Dividend Warrant	14	14	0
- Annual Report	15	15	0
- Share Certificate	0	0	0
Total	29	29	0

Ethics & Compliance Committee

The Ethics & Compliance Committee was constituted pursuant to the amended regulations of SEBI (Prevention of Insider Trading Regulations), 2015. This Committee comprises of the following Non-Executive Independent Directors.

Ch. G Krishna Murthy	-	Member
K Balarama Reddi	-	Member

The Company has a Code of Conduct for Prevention of Insider Trading as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Eligible Persons.

Whistle-blower policy

We have established a policy for all the employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that during the financial year 2016-17, no employee has been denied access to the audit committee.

Mr. P V Rama Seshu, AVP & Company Secretary of the Company has been designated as the Compliance Officer and also acts as the Secretary to all the above Committees.

Annual General Meetings

Year	Date	Time	Venue
2013-14	13.08.2014	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 074
2014-15	13.08.2015	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 074
2015-16	12.08.2016	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 074

Extraordinary General Meeting / Postal ballot

During the financial year 2016-17, on July 08, 2016, the shareholders vide a Postal Ballot approved enhancement in existing over all limits under Section 186 of the Companies Act, 2013 from Rs.10,000 Crore to Rs.15,000 Crore so as to make investments/ give guarantees/provide securities in connection with the bidding/acquiring/negotiating/implementing the existing/new projects being under taken/implemented by the company directly or through one or more subsidiaries/step down subsidiaries/associate companies/group companies.

E-voting

Sec 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI LODR Regulations, 2015 also requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings and the same has been provided at this AGM.

Disclosures

The Board of Directors receives the requisite disclosures, from time to time, relating to financial and commercial transactions from the key managerial personnel of the Company. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

There have not been any occasion of non-compliance by the Company and therefore, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets since the Company was listed on the stock exchanges.

Means of Communication

The quarterly and annual financial results of the Company are generally published in National Newspapers i.e. The Economic Times, The Financial Express or Business Standard in English and Andhra Prabha or Surya a regional newspaper in vernacular language.

SEBI Complaints Redressal System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Managing Director and CFO Certification under Regulation 17(8) of SEBI (LODR) Regulations, 2015

To

The Board of Directors of

GVK Power & Infrastructure Limited

In relation to the Audited Financial Accounts of the Company as at March 31, 2017, we hereby certify that

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dr GVK Reddy

Chairman & Managing Director

Place : Hyderabad

Date : 11-08-2017

A Issac George

Director & CFO

Certificate from a Company Secretary in Whole-time Practice on compliance of conditions as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

To
The Board of Directors of
GVK Power & Infrastructure Limited

We have examined the compliance of regulations of Corporate Governance by GVK Power & Infrastructure Limited for the year ended March 31, 2017, as stipulated in regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad
Date : 11-08-2017

Narender & Associates
G Narender
FCS-4898
CP:5024

General Shareholder Information

1.	Annual General Meeting	
	Day, Date and Time	Wednesday, the September 27th, 2017 at 11:30 am
	Venue	Sri Satya Sai Nigamagadam 8-3-987/2, Srinagar Colony Hyderabad - 500 074
2.	Book Closure Dates	25-09-2017 to 27-09-2017 (both days inclusive)
3.	Calendar of events (tentative and subject to change) for financial reporting for the period ending	
	- Jun 30, 2017	Aug 2017
	- Sep 30, 2017	Nov 2017*
	- Dec 31, 2017	Feb 2018*
	- Mar 31, 2017	May 2018*
	- AGM for 2017-18	Aug 2018* (*tentative)
4.	Listing of equity shares is at	The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051
		The Bombay Stock Exchange Limited Floor 25, P J Towers, Dalal Street Fort, Mumbai - 400001
		Annual Listing Fee has been paid for the year 2017-18 to both the Exchanges
5.	Stock Code	BSE: 532708, NSE: GVKPIL
		ISIN : INE251H01024
6.	Corporate Identification Number (CIN) allotted by the Ministry of Corporate Affairs	L74999AP2005PLC059013
7.	Share Transfer System	Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.
8.	Secretarial Audit	Secretarial Audit is being carried out every quarter by a practicing Company Secretary and his audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.
9.	Location	Registered Office 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003 Phone No. 040-27902663 / 64 Fax: 040-27902665 Email: cs.gvkpil@gvk.com Website: www.gvk.com
10.	Registrar & Share Transfer Agents	Karvy Computershare Private Limited Unit: GVK Power & Infrastructure Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial Dt, Nanakramguda, Hyderabad - 500 032 Phone: 040 - 67161569 Fax : 040 - 23420814 E-mail: mailmanager@karvy.com website: www.karvy.com
11.	Query on the Annual Report (Shall reach 10 days before the AGM)	P V Rama Seshu, AVP & Company Secretary-Compliance Officer GVK Power & Infrastructure Limited 156-159, 'Paigah House', Sardar Patel Road, Secunderabad - 500 003 E-mail : cs.gvkpil@gvk.com Ph: 040-27902663/64 Fax: 040-27902665

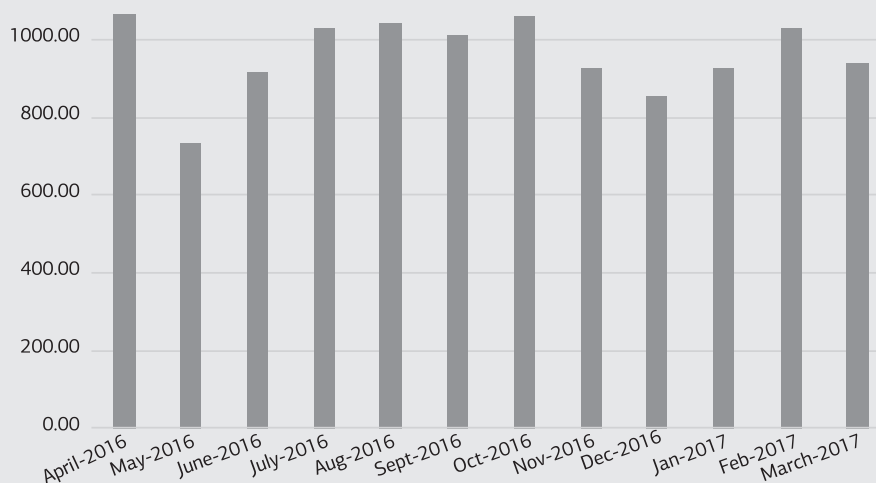
Changes in Share Capital

Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	10	Nil
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	20	Nil
10/09/1996	8	10.00	Cash	Allotment to JOMC Mauritius	100	Nil
18/01/1997	20,990	10.00	Cash	Allotment to JOMC Mauritius	210,000	Nil
18/06/1997	14,000	10.00	Cash	Allotment to Triumph Investments Limited	350,000	Nil
27/08/2005	52,85,000	10.00	Other than Cash	Bonus issue in the ratio 151:1	53,200,000	Nil
14/10/2005	24,76,194	155.41	Cash	Preferential allotment to certain Promoters, Promoter Group Companies and others	77,961,940	360,063,369.54
14/10/2005	75,72,695	155.44	Cash	Preferential allotment to Transoceanic Projects Limited	153,688,890	1,461,436,130.34
21/02/2006	82,75,556	310.00	Cash	Initial Public Offering	236,444,450	3,944,102,930.34
14/05/2007	375,69,230	325.00	Cash	Qualified Institutional Placement (QIP)	612,136,750	15,778,410,380.34
17/10/2007	7,03,25,000	10.00	Other than Cash	Under the Scheme of Amalgamation	1,315,386,750	15,778,410,380.34
24/11/2007	90,46,215	10.00	Other than Cash	Under the Scheme of Arrangement	1,405,848,900*	15,778,410,380.34
09/07/2009	173,361,500	41.25	Cash	Qualified Institutional Placement (QIP)	1,579,210,400	22,756,210,755.34
Total	1,579,210,400					

* Effective from 15.02.2008 the face value of the share has been changed from Rs.10/- per share to Re.1/- per share.

NSE MARKET Capitalization Chart

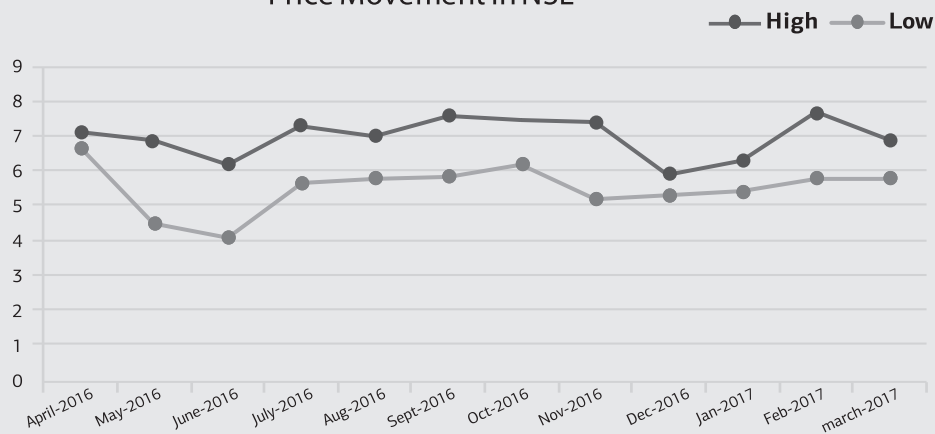
Rs. in Crores



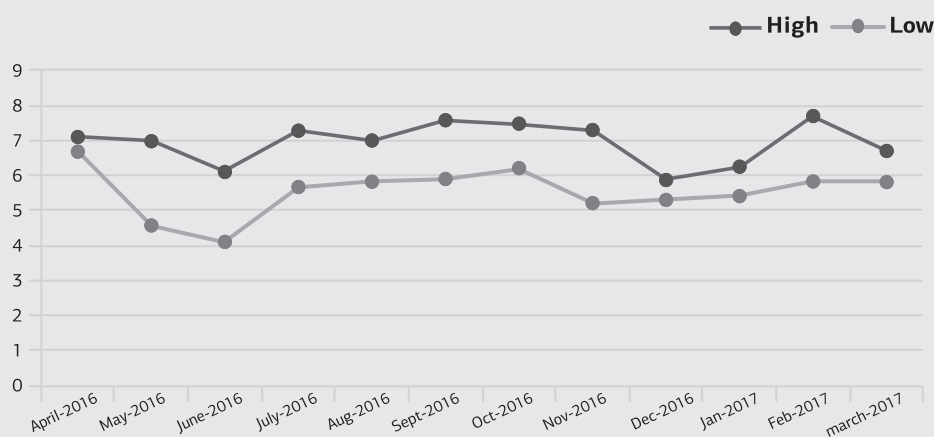
Monthly high, low and trading volume of equity shares of the Company during the financial year 2016-17

Month, Year	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)			Total Volume(No)
	High (Rs)	Low (Rs)	Volume (No)	High (Rs)	Low (Rs)	Volume (No.)	
April, 2016	7.10	6.65	28078811	7.10	6.68	4731197	32810008
May	6.85	4.50	51812051	6.98	4.57	9709071	61521122
June	6.15	4.10	100981606	6.10	4.10	20963882	121945488
July	7.25	5.65	81407223	7.28	5.67	17744178	99146951
August	7.00	5.80	60007425	7.00	5.82	16085330	76092755
September	7.55	5.85	132665724	7.58	5.90	23780948	156446672
October	7.45	6.20	65664777	7.48	6.21	73809426	139474203
November	7.40	5.20	62610399	7.30	5.21	11899510	74509909
December	5.90	5.30	121780915	5.87	5.30	7304314	129085229
January, 2017	6.25	5.40	56403753	6.25	5.41	12950374	69354127
February	7.70	5.80	221994042	7.70	5.83	34168701	256162743
March	6.85	5.80	80801378	6.70	5.81	32164512	112965890

Price Movement in NSE



Price Movement in BSE

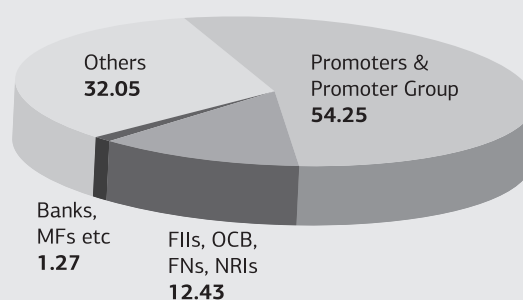


Shareholding pattern as on March 31, 2017

Sl. No.	Description	Cases	Shares	% Equity
1	BANKS	7	3,145,240	0.20
2	BODIES CORPORATES	1,546	86,244,743	5.46
3	CLEARING MEMBERS	143	2,972,288	0.19
4	DIRECTORS AND RELATIVES	4	15,680	0.00
5	FOREIGN NATIONALS	1	2,000	0.00
6	FOREIGN PORTFOLIO INVESTORS	23	105,755,780	6.70
7	GOVERNMENT	1	6,330,000	0.40
8	H U F	4,681	15,071,733	0.95
9	INSURANCE COMPANIES	1	8,182,011	0.52
10	MUTUAL FUNDS	2	62,000	0.00
11	NBFC	13	304,650	0.02
12	NON RESIDENT INDIAN NON REPATRIABLE	717	3,850,426	0.24
13	NON RESIDENT INDIANS	2,461	22,843,377	1.45
14	OVERSEAS CORPORATE BODIES	1	375,000	0.02
15	PROMOTER COMPANIES	1	732,893,902	46.41
16	PROMOTER DIRECTOR	3	123,835,438	7.84
17	RESIDENT INDIVIDUALS	275,005	467,309,779	29.59
18	TRUSTS	10	16,353	0.00
	Total	284,620	1,579,210,400	100.00

Distribution by category as on March 31, 2017

Category	Number of Shares	% of holding
Promoters & Promoter Group	85,67,29,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	19,62,80,729	12.43
Banks, Mutual Funds etc	2,00,51,219	1.27
Others	50,61,49,112	32.05
Total	157,92,10,400	100.00



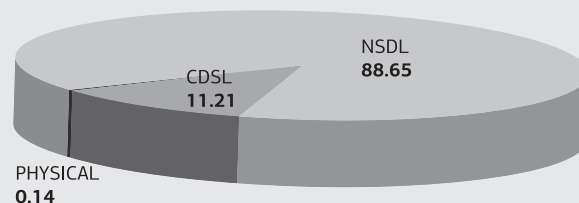
Distribution Schedule as on 31-03-2017

Sl. No.	Category	Cases	% of Cases	Amount	% of Amount
1	1-5000	270,287	94.96	179,304,324.00	11.35
2	5001- 10000	7,555	2.65	58,069,059.00	3.68
3	10001- 20000	3,437	1.21	50,535,066.00	3.20
4	20001- 30000	1,197	0.42	30,295,499.00	1.92
5	30001- 40000	496	0.17	17,756,805.00	1.12
6	40001- 50000	426	0.15	20,186,313.00	1.28
7	50001- 100000	683	0.24	51,495,098.00	3.26
8	100001 & Above	539	0.19	1,171,568,236.00	74.19
	Total	284,620	99.99	1,579,210,400.00	100.00

De-materialization of shares as on 31-03-2017

Sl. No.	Description	No of shareholders	No of shares	% Equity
1	PHYSICAL	5,473	2246725	0.14
2	NSDL	177,554	1399988383	88.65
3	CDSL	101,593	176975292	11.21
	Total	284,620	1579210400	100.00

As on March 31, 2017 over 99.86% of outstanding shares are held in de-mat form and the balance 0.14% in physical form. Trading in equity shares of the Company is permitted only in de-materialised form as per notification issued by the Securities and Exchange Board of India (SEBI). Shareholders interested in dematerializing / rematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.



Compliance with Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2017.

For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 11-08-2017

Dr GVK Reddy
Chairman & Managing Director

Management Discussion and Analysis

1. About the Company

GVK Power & Infrastructure Limited (the Company) is a listed entity and an ultimate holding company of “GVK” which operates in diversified business operations under different verticals. The Company operates predominantly in Energy, Airports, Transportation and has presence in other business like Resources, Urban infrastructures etc. It conducts and operates its business through 8 subsidiaries, 18 step down subsidiaries and an associate company (as on March 31, 2017). Revenues of the company are derived primarily from the O&M fee, incentives for operating the business of subsidiaries /associate and secondly from the interest income earned out of managing the surplus funds through a better financial planning.

2. The Economy and Sectoral growth

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). Government data showed the gross domestic product grew 7.1% in the full financial year 2016-17, slower than 8% recorded in the previous year as demonetisation drive hits consumption. The demonetisation seems to have impacted the Gross Value Added (GVA) in the third as well as fourth quarter of 2016-17 which slipped to 6.7% and 5.6% respectively, from 7.3% and 8.7% in the previous year. While the manufacturing sector output in the fourth quarter slowed to 5.3% versus 12.7% in the same period of last year, the construction sector slipped into the negative territory. Due to good monsoons, the agricultural sector posted a huge jump in growth as it expanded by 4.9% during 2016-17 compared to dismal growth of 0.7% in the previous year.

India's consumer confidence index stood at 136, topping the global list of countries on the same parameter, as a result of strong consumer sentiment, according to market research agency, Nielsen.

Moody's has affirmed the Government of India's Baa3 rating with a positive outlook stating that the reforms by the government will enable the country perform better compared to its peers over the medium term.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2017, according to a report by NASSCOM.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors.

The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's unemployment rate has declined to 4.8 per cent in February 2017 compared to 9.5 per cent in August 2016, as a result of the Government's increased focus towards rural jobs and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme.

As per the data, the per capita net national income (current prices) during 2016-17 is estimated to be Rs 1,03,007 showing a rise of 10.4 percent as compared to Rs 93,293 during 2015-16 with the growth rate of 7.4 percent

A) POWER

India's Power sector is one of the most diversified in the world. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. In order to address the lack of adequate electricity availability to all the people in the country by March 2019, the Government of India (GoI) launched a scheme called “Power for All”. This scheme will ensure continuous and uninterrupted electricity supply to all households, industries and commercial establishments by creating and improving necessary infrastructure. It's a joint

collaboration of GoI with states to share funding and create overall economic growth. During 2016-17, the growth rate of electricity generation slowed 7.2% from 5% in 2015-16.

The electricity generation target of conventional sources for the year 2017-18 has been fixed as 1229.400 Billion Unit (BU). i.e. growth of around 5.97% over actual conventional generation of 1160.141 BU for the previous year (2016-17). The conventional generation during 2016-17 was 1160.141 BU as compared to 1107.822 BU generated during 2015-16, representing a growth of about 4.72 %.

India added a record 5,400 megawatts (MW) of wind power in 2016-17, exceeding its 4,000MW target. Of about 50,018MW of installed renewable power across the country, over 55% is wind power. In India, which is the biggest greenhouse gas emitter after the US and China, renewable energy currently accounts for about 16% of the total installed capacity of 315,426MW.

During 2016-17, the leading states in the wind power capacity addition were Andhra Pradesh at 2,190MW, followed by Gujarat at 1,275MW and Karnataka at 882MW

Draft National Electricity Plan, 2016 prepared by GoI states that India does not need additional non-renewable power plants till 2027 with the commissioning of 50,025 MW coal based power plants under construction and additional 100,000 MW renewable power capacity.

B) AIRPORTS

India's civil aviation industry is on a high-growth trajectory. India aims to become the third-largest aviation market by 2020 and the largest by 2030.

The Civil Aviation industry has ushered in a new era of expansion, driven by factors such as low-cost carriers (LCCs), modern airports, Foreign Direct Investment (FDI) in domestic airlines, advanced information technology (IT) interventions and growing emphasis on regional connectivity. India is the ninth-largest civil aviation market in the world, with a market size of around US\$ 16 billion. India is expected to become the third largest aviation market by 2020#.

India is the 9th largest civil aviation market in the world, In FY17, civil aviation sector witnessed a growth rate of around 20- 25 per cent. Investments worth USD 6 billion are expected in the country's airport sector in 5 years. India's civil aviation market is set to become the world's 3rd largest by 2020 and expected to be the largest by 2030. According to Directorate General of Civil Aviation (DGCA), domestic passenger traffic witnessed growth at a rate of 22 per cent, till February 2017, in comparison 21.24 per cent in FY16.

During FY17, domestic passenger traffic increased by 22 per cent in comparison with growth rate of 21.24 per cent in FY16. By 2023, total freight traffic is expected to touch 4.14 million tonnes exhibiting growth at a CAGR of 7.27 per cent between FY2016 & FY23. In addition, international freight traffic is expected to grow at a CAGR of 7.13 per cent while domestic freight traffic is expected to grow at a CAGR 7.50 per cent between FY2016 and FY23.

C) TRANSPORTATION

India has the second largest road network in the world, with about 5.23 million km of road network comprising National Highways, State Highways and other roads. The National Highways (NH) in the country covers a total length of 100,475 km (2% of total road network) and carry about 40% of the road traffic. This clearly shows that there is heavy load on Highways network. During FY17-18, Government of India allocated USD9.51 billion for development of national highways across the country. The Central Government has fast tracked at least 24 roads & highways projects. Growing participation of the private sector through Public-Private Partnership (PPP)

The government is focusing on fuelling the investment in road sector. Key focus areas include the construction and award of 10,000 km roads each over the next fiscal, upgradation of 50,000 km of state highways into national highways and rolling out of 85% of the stuck projects involving investment of INR 1,000 billion (US\$ 15 billion).

After the success of Golden Quadrilateral (GQ), Government of India has proposed umbrella scheme - Bharatmala for:

- (i) Development of State Roads along Coastal areas / Border areas, including connectivity of non-major ports, about 7000 km;
- (ii) Backward Areas, Religious, Tourist Places Connectivity programme, about 7000 km
- (iii) Setubhratam Pariyojana which is for the construction of about 1500 major bridges and 200 ROB / RUBs.

(iv) District Head Quarter Connectivity Scheme for development of about 9000 km for newly declared National Highways.

Bharatmala (Necklace of India) is proposed to complete projects including Setu Bharatam, Char Dham Connectivity and National Highways Development Programme. The ministry aims to complete the project by 2022.

3. Assets under Operation

i) Energy

The two gas based projects i.e. 464 MW GVK Gautami Power Limited, 220 MW Phase II projects of GVK Industries Limited and one Hydel power project i.e. 330 MW Alaknanda Hydro Power Company Limited and one coal based project M/s GVK Power (Goindwal Sahib) Limited have recorded revenue of Rs.767.64 Crore for the year ended March 31, 2017 as against Rs.868.52 Crore for the previous year.

This decrease is mainly due to non-availability of coal at the plant site of Goindwal Sahib. EBIDTA margin improved to 63.5 % as compared to 59.53 % in previous year.

GVK Industries Ltd

PHASE I

The Plant was operated partially based on the limited gas supplies from GAIL. This plant was taken over by the AP Discoms on 22nd April 2016 through buy out option at a terminal value of Rs.261.27 Crore. All the original documents of the plant were released by the lenders and the same were handed over to the AP Discoms. Sale deed registration is expected during Q2 of this financial year.

PHASE II

During the year Jegurupadu Phase II was operated at a Plant Availability Factor (PAF) of 99.73% (PY 99.73%) and Plant Load Factor (PLF) of 3.98% (PY 5.98%). The plant operated under the "Scheme for utilization of stranded assets under Phase-III" by the Central Government, on E-bid RLNG in the month of September, 2016 and presently is shut down and kept under preservation for which it is importing energy @250kw towards preservation activities. Though the Project won the gas to operate the Project at 60% PLF in E-bid RLNG during the period October 2016 to March 2017, the DISCOMs did not off-take the energy under the scheme due to higher Target Price of Rs. 4.70 per unit. Even though, the company has been declaring availability of the plant on alternate fuel since November, 2013 and submitting the monthly tariff bills for the respective tariff months towards capacity charges, the APPCC has rejected our claim stating that HSD does not come under the definition of alternate fuel as per PPA. This has been refuted by the Company by submitting relevant government notifications. The unit reported a loss of Rs. 16.12 Crs for the financial year 2016-17 (PY loss of Rs 45.75 Crores).

GVK Gautami Power Ltd

During the year, Gautami plant had achieved 99.91% PAF for the year based on the availability declaration on alternate fuel. Presently this plant is shut down and kept under preservation for which it is drawing 0.5 MW power from the Grid towards preservation activities. Even though, the company has been declaring availability of the plant on alternate fuel since June, 2012 and submitting the monthly tariff bills for the respective tariff months towards capacity charges, the APPCC has rejected our claim stating that HSD does not come under the definition of alternate fuel as per PPA. This has been refuted by the Company by submitting relevant government notifications.

During the year Gautami Power Ltd reported a loss of Rs. 255.81 Crs for the financial year 2016-17 (PY loss of Rs 219.96 Crores).

Alaknanda Hydro Power Company Limited

The 330MW Shrinagar Hydro Electric Project achieved Normative Annual Plant Availability Factor (NAPAF) of 49.77% for the FY 2016-17 with a Plant Load Factor of 44.55%. During the monsoon season, the Project operated all the four units at their full capacity. Based on the water flows, the plant is being operated with at least one turbine, either on part or full load. During the year under review, the company has generated revenues of Rs. 612.76 Crore with a negative profit of Rs. 205.30 Crore. The negative profit is mainly attributable to the increase in finance cost and increase in depreciation rate which is in line with UPERC regulations. The unit reported a loss of Rs. 205.30 Crore for the financial year 2016-17 (PY loss of Rs.143.50 Crore). Currently, minor finishing works of the project such as strengthening of the river banks, repairs of roads and green belt development, Dhari Devi Ma temple works etc., are being carried out.

GVK Power (Goindwal Sahib) Limited

The 2X270 MW Coal based Power plant situated at Goindwal Sahib, Tarn Taran District in the State of Punjab has successfully achieved Commercial Operations on 16th April 2016. The company operated the plant for 7 days in April-16 with the left over coal which was allocated for trial runs. Your company could not continue with the operation of the plant due to non-availability of coal, as the coal mine got de-allocated by the Central Government after the Supreme Court's Order pronouncement on 24th September, 2014. Meanwhile, the company participated in e-auction in the month of April, 2016 and operated the plant for 16 days in July, 2016 and 17 days in August, 2016. The company could not take part in further e-auctions due to severe liquidity crunch and the plant was kept under preservation due to non-availability of Coal. The company is making all efforts to get coal linkage to restart the plant.

ii) Airports

Mumbai International Airport Pvt Ltd (MIAL)

During the year MIAL handled 45.16 Mio (PY 41.67 mio) passengers, 305,436 ATMs (PY 296,612 ATMs) and 573,253 MT (PY 494,336 MT) of Cargo reflecting an increase of 8.4%, 3.0% and 15.96% respectively. The Company reported a loss after tax of Rs. 89.78 Crore for the financial year 2016-17 (PY Rs. 88.15 Crore). Mumbai International Airport Private Limited recorded revenue of Rs. 3025.99 Crore for the year ended March 31, 2017 as against that of Rs. 2,691.07 Crore for the previous year, registering an increase of 12.45%. EBITDA margin improved to 38.37% as compared to 37% in previous year.

All the Key development projects under CSIA Master plan have been majorly completed. During the year under review, a new 2nd Radar building has been completed and handed over to AAI. The construction of Bridge over Mithi river to enable development of GSE facilities on the land beyond Mithi river, is currently in progress.

FY 17 witnessed the launch of operations by Garuda Indonesia and Brussels Airlines to Jakarta and Brussels, respectively. Air China also reinstated its operation to Beijing. In FY 18, RwandAir commenced operations to Kigali while Indonesia AirAsia X and Air Canada have confirmed their planned operations. The year also witnessed launch of code F operations by Etihad and Lufthansa, thereby making CSIA the only airport in India to have 4 code F operations daily. Aircraft upgrades were done by Jet Airways on routes like Bangkok, Singapore, Dubai, Dammam, Doha, Riyadh and Amsterdam. Also, to augment the domestic capacity, 6 wide body movements were introduced on Delhi, Chennai and Bengaluru routes. The revised aeronautical tariff card was issued in FY 17 that reflects the route development philosophy at CSIA. Wide body aircraft on international routes are charged less and new international routes are incentivised with no landing charges for 1 year.

There is continuous effort to augment the airside handling capacity and as a result CSIA handles maximum daily movements in the world on single runway. In terms of infrastructure upgrade, the export handling capacity was enhanced and the export handling dwell time was improved at CSIA with the unveiling of new Export Heavy and Bonded Cargo Terminal. Also, Santacruz Air Cargo Terminal-SACT got commissioned in June, 2016 which is a common user domestic cargo facility with operational area of 5,634 sqmt. To improve the passenger travel experience, CSIA became the 1st airport in India to introduce self-bag tag printing and self-baggage drop facility in 2016.

MIAL also launched 3rd edition of its Sustainability Report 2016, making it the only airport company in India to publish a Sustainability Report.

CSIA was adjudged 2nd best airport globally in the 'over 40 million passengers' category by Airports Council International for airport service quality in 2016. This is the 6th consecutive year that CSIA is being named as one of the best airports globally. Other awards and laurels won by CSIA in FY 17 includes award for 'Best Airport Staff Service' by Skytrax World Airport Awards 2017, National Tourism Award under 'Best Airports in Class X (metro) Cities' by Ministry of Tourism, India, BE Star Recognition as Leader for Excellence in Customer Management by CII, 'Best Metro Airport' award by Air Passengers Association of India (APAI) and Highly Commended Airport for Excellence in Airport Marketing at Routes Asia Marketing Awards. CSIA cargo was recognized with "Best Cargo Terminal of the Year 2016" for 2nd consecutive year by economic times, "Best Cargo airport of the year 2016" for 2nd consecutive year by Stat Times Media, "Best Airport 2016" for 5th consecutive year by Air Cargo Agents Association of India for excellence in connecting Air Cargo Community. CSIA cargo also received certificate of merit award from Customs as "Best Custodian 2016" at the International Customs day celebration.

Bangalore International Airport Ltd (BIAL)

During the year, BIAL handled 22.88 Mio (PY 18.97 mio) passengers, 178,117 ATMs (PY 153,422 ATMs) and 319,344 MT (PY 291,920 MT) of Cargo resulting in an increase of 20.6%, 16.00 % and 9.39 % respectively. The company reported a profit after tax of Rs.597.91 Crore for the financial year (PY Rs.437.61 Crore).

Going forward, there would not be any further updates on this project since, your company had disposed off its equity stake in this company.

iii) Transportation

GVK Jaipur Expressway Pvt Ltd

GVK Jaipur Expressway Private Limited ("the Company" / "the concessionaire") was incorporated on 01st April 2002 as a Special Purpose Vehicle for construction and Operation of 6 Lane Highway of 90.385 KM between Jaipur and Kishangarh on Build-Operate-Transfer ("BOT") basis awarded by the National Highways Authority of India ("NHAI"), in terms of the Concession Agreement dated 08th May 2002 by and between the Company and the NHAI ("Concession Agreement"). The concession was for a period of 20 years from the date of Financial Closure 17th March, 2003. The Company commenced Commercial Operations on 09th May 2005.

During the year toll collections recorded were Rs.301.95 Crore (PY Rs.330.14 Crore) registering a decrease of 8.53%, primarily due to suspension of toll fee collection for a period of 24 days during demonetization period and due to slow down in economy. The Company reported a profit after tax of Rs.81.34 Crore for the financial year (PY Rs.41.92 Crore). During the year under review, the company paid an amount of Rs.30.8757 Crore to NHAI as their revenue share (PY Rs.48.1607 Crore) since the toll revenues are beyond the threshold limit as specified under the Concession Agreement. The average traffic is 24427 vehicles per day during the current financial year. The average toll collection per day is Rs.88.55 Lacs during the year.

Net Profit for the for the year ended March 31, 2017 is Rs.81.34 Crore as against Rs.41.92 Crore for the previous year.

GVK Deoli Kota Expressway Pvt Ltd

The 4 laning of 83.04 Km Deoli Kota section on NH 12 in the State of Rajasthan has been completed during the financial year 2015-16 with an approved project cost of Rs.1,026.39 Crore as against the original envisaged cost of Rs.823.45 Crore with a revised debt equity ratio of 75:25. The average toll collection during the year is Rs.18.03 Lacs per day (PY 2015-16 Rs 12.93 Lakhs per days). However, the company has noticed that the average toll collection is increased to Rs.21.00 Lacs per day during the April, 2017 thereby giving a positive indication that this might increase reasonably well by end of the financial year 2017-18.

Deoli-Kota Expressway, commenced partial commercial operations on 25th August, 2015 and full commercial operations from 7th March 2016. It recorded a toll revenue of Rs. 61.52 Crore (previous year Rs. 28.32 Crore) for the year ended March 31, 2017 Net loss for the year ended March 31, 2017 as per Ind AS is Rs.146.30 Crore (Previous year Rs 83.99 Crore) .

Further, Company approached the Consortium lenders to fund further cost overrun (Cost overrun-2) which was appraised by the Lead Bank Yes Bank Limited for Rs. 400.37 Crore to meet the Project requirements to the extent of Rs.92.37 Crore, plus Rs. 308 Crore towards funding of expenses during the first 8 years of commercial operations. Pending sanction for cost overrun – 2 from all the other Member Banks of the Consortium, Yes Bank Limited (YBL) and Punjab National Bank (PNB) disbursed Rs. 28.24 Crore and Rs 24.10 Crore against their share of Rs. 80.18 Crore and Rs 68.37 Crore respectively in the total appraised cost overrun – 2 of Rs.400.37 Crore.

4. Assets under Development

I Gusti Ngurah Rai International Airport in Bali, Indonesia

PT GVK Services Indonesia ("GVK Indonesia") had entered into a Management Services Agreement with PT Angkasa Pura I (Persero) on November 1, 2012 for Commercial and Operation Development of Commercial Facilities at I Gusti Ngurah Rai International Airport, Bali (the "Management Services") for a period of five years effective from December 1, 2012 with a ROFR for extension for another five years.

Under GVK – AP I partnership, I Gusti Ngurah Rai International Airport continues to grow both in terms of revenue and passenger satisfaction. Passenger satisfaction, measured by ASQ rating has grown from 3.25 in Q1 2013 to 4.98 in Q2 2017. Now I Gusti Ngurah Rai international airport is 8th best airport in the world in overall airport rankings from 212 in 2013 and 3rd best airport in its category. As a result of intensive efforts and training to Business Partners provided by GVK teams commercial facilities such as Lounges, Car Parking facilities, F&B facilities and other services have been rated as best in its category. GVK will continue support PT Angkasa Pura I (persero) to achieve new heights.

Further, GVK is pursuing with PT Angkasa Pura I (Persero) for extension of the term of the agreement based on mutually agreed terms and conditions and very optimistic that the agreement will be extended for further period based on the agreed conditions.

Development of Greenfield International Airport at Yogyakarta, Java in Indonesia

Government of Indonesia is undertaking the execution of Yogyakarta airport project on its own due to pending regulation on foreign investments in the airport sector and also existing airport handling capacity is well below the actual demand. However, PT Angkasa Pura I (Persero) and GVK are in discussions to cooperate with each other for the successful completion and operations of the project. As GVK was involved from inception stage of the project, GVK is in a strong position to benefit from relaxation of foreign investment regulations.

PT GVK Services – BALI

PT GVK Services – BALI a subsidiary of GVKPIL which is having a Management contract for the Bali Ngurah Rai International Airport, Indonesia has recorded a revenue of Rs. 95.29 Crore as against Rs. 121.58 Crore for the previous year recording decrease of 21.62 % in revenue.

5. Risks & Concerns

Energy

The gas based power projects in the country are facing severe shortage of gas supplies. Most of the projects are under shut down condition for want of gas.

Government of India implemented Scheme for Utilization of Gas Based Power Generation Capacity for the years 2015-16 & 2016-17. Under the Scheme, it was envisaged to provide subsidy support with supply of imported RLNG (e-bid RLNG) to the plants receiving domestic gas of 9845 MW capacity which were operating at lower plant load factors (32%) and stranded gas power plants of 14305 MW capacity plants which were not receiving any gas supplies. The gas based projects located in the state of Andhra Pradesh could not benefit under the Scheme due to insufficient swapping gas quantities by GAIL during the three phases and non-offtake of power by DISCOMs citing higher Target Price of Rs. 4.70 per unit during the fourth phase of the Scheme. Government of India did not extend the Scheme on expiry of the Scheme by March 2017.

ONGC has come out with tender document for supply of 5.45 MMSCMD of gas from their deep water wells of S1 and VA fields from September 2017. The reserve gas price is the prevailing gas price ceiling for gas produced from discoveries in deep-water and ultra deep-water areas, which is higher than the domestic gas price being notified by the MoPNG from time to time. DISCOMs, the energy off-takers from the Projects under PPA, are not willing to off-take the power from at the gas price more than the domestic gas price.

The companies have represented to MoPNG to allocate the available gas from these fields to the Projects in Andhra Pradesh of 1500 MW capacity with long term PPAs with state DISCOMs. If the gas is allocated by MoPNG, DISCOMs will be obligated to off-take the power under the PPAs and Projects can operate from the gas supplies from ONGC fields.

Airports

Today, India has the fastest growing domestic aviation market in the world, as per the International Air Transport Association (IATA). Forecasted growth for India's domestic traffic is expected to be around 15% for the current year. By all means, India seems to be on a cusp of a civil aviation revolution. Aviation Industry in India holds around 69% of the total share of the airlines traffic in the region of South Asia. This time period, thus, is critical for the industry and requires serious governance and leadership to create global Indian institutions.

While the domestic demand for air travel has increased considerably in the last few years, the Government has done little to actually help it achieve its true potential. Government has not reduced the jet fuel prices in proportion to the fall in international crude oil prices. Services provided at all Indian airports except the major ones continue to be far below the global standards. The airport connectivity with the cities is extremely limited.

The expansion of India's aviation sector also brings with itself a number of security challenges including prevention of terrorism. To summarise, triggered by the reforms that started almost 2 decades back, India's civil aviation sector is ready to become one of the largest in the world. While the opportunities are immense, the vulnerability of our skies has also grown manifold. The Government needs to come up with a comprehensive policy in the civil aviation sector which not only ensures that Indian civil aviation companies are able to become world leaders but also that they are able to offer safe and convenient travel to customers at competitive prices.

Transportation

Infrastructure projects are beset by time and cost overruns emanating from delay in execution, resulting in disputes between private partners and government agencies. Characteristically, these disputes involve large amounts of invested capital and have a sluggish redressal.

6. GVK Power & Infrastructure Limited – Financial Performance Review**Standalone Financials****Revenue**

Total income of company, which comprises of income in from operations, of power plant, Fees for technical services and other income increased to Rs. 7967 lakhs as compared to Rs. 6716 lakhs of the previous year.

Expenditure

The Company's total expenditure, comprising of Cost of Operation, Employee Benefit Expenses and other administrative expenses, increased to Rs 28,583 Lakhs for the year ended March 31, 2016 from Rs. 12,396 lakhs for the year ended March 31, 2016. The above expenses includes write off of Rs 5,174 lakhs advance given to one of the subsidiary (PY 10,161 lakhs).

Interest

Interest expenses stood at Rs. 5,176 lakhs (previous year figure was Rs. 5,321 lakhs)

Profit before tax (PBT)

Loss before tax for the year is Rs. 25,805 lakhs for the current year as compared to Rs. 11,017 lakhs in the previous year.

Profit after tax

Loss after tax is Rs. 27,101 lakhs for the year ended March 31, 2017 as compared to Rs. 12,357 lakhs as compared to the previous year.

EPS

The earnings per share at standalone level for the current year stands at Rs. (1.72) as compared to Rs. (0.78) per equity share of Re.1/- each in the previous year.

Consolidated Financials

The current year results include the results of the companies including subsidiaries, step down subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been drawn as per the Indian Accounting Standards (Ind AS) IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended. These companies operate broadly in a) Power b) Road c) Airports and d) Other sectors.

Revenue

GVKPIL registered a consolidated total income from operations of Rs. 351,647 Lakhs for the year ended March 31, 2017, as against Rs. 320,687 Lakhs during the corresponding period of the previous year recording an increase of 9.65 %.

EBIDTA at a consolidated level for the year stood at Rs. 115,632 Lakhs as against Rs. 117,133 Lakhs in the previous year.

EBIDTA margin at consolidated level decreased to 33 % as compared to 37 % in the previous year.

Profit after tax

Loss after tax and non-controlling interest attributable to equity holder of GVKPIL for the the current year is Rs. 130,515 lakhs for 2016- 17 as compared to Rs. 64,556 lakhs in the previous year.

Earning Per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs. (8.25) as compared to Rs. (4.10) per equity share of Re.1/- each in the previous year.

Net Worth

The net worth as at the end of Financial Year 2016-17 stands at Rs. (29,683) lakhs as compared to Rs. 100,120 lakhs as at the end of the previous year.

7. Clean Development Mechanism

The Clean Development Mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of Carbon-di-oxide (CO₂). These CERs can be traded and sold, and used by industrialized countries to a meet a part of their emission reduction targets under the Kyoto Protocol.

The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets.

Three of the group companies i.e. GVK Industries Ltd (Phase II), GVK Gautami power Ltd and Alaknanda Hydro Power Company Ltd were registered with UNFCCC and as such these projects are eligible for CER credits.

8. Internal Control System and Adequacy

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements.

The internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations. The internal audit reports are placed before the Audit committee for consideration. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

9. Human Resources

The total number of employees of GVK at the corporate office and projects sites as on March 31, 2017 stands at 2,894 approximately. Your company periodically reviews the requirement of these employees across various projects based on the need and necessity. The optimal utilization of the human resources with multi-tasking is what is being emphasized across the group.

10. Future Outlook

As you may be aware, all infrastructure companies across India are facing challenging times due to their financial exposure to Banks and Lending Institutions. Repayment of these loans have become a real task particularly when their revenue flows are which are either minimal or nothing due to delays or very long gestation periods. As a result, they are unable to make loan repayments and are branded as Non-Performing Assets (NPA) by their Lenders. The situation for some companies is very bad because even though their projects / plants are completed / ready for operations, they are unable to operate due to non-availability of natural gas / coal etc. Majority of these factors are not under the control of the management. GVK is no exception to this.

During these challenging times your company is making every possible effort to reduce its debt burden. As informed in the last year's Annual Report, your company had disposed off its entire equity in Bangalore International Airport Limited (BIAL) to M/s FIH Mauritius Investments Limited for a total consideration of Rs.3,492 Crore and the same proceeds have been utilized to reduce the debt burden to a possible extent. Currently, your co., is exploring other options to raise further funds.

11 Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning applicable under the securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the electricity industry, changes in government regulations, tax regimes and other statutes.

Independent Auditor's Report

To,
The Members of GVK Power & Infrastructure Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GVK Power & Infrastructure Limited (hereinafter referred to as "the Company" or "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint controlled entities, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for qualified opinion

As discussed more fully in Note 42 to the consolidated Ind AS financial statements, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company of GVK Energy Limited, jointly controlled

entity of the Company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against the carrying value of assets of Rs. 31,115 lakhs in books of GVK Coal (Tokisud) Private Limited. In the absence of sufficient appropriate audit evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements. Our audit report for previous year was also qualified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2017, of their consolidated loss including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

- a. Note 46 to the consolidated Ind AS financial statements, regarding losses being incurred by the Group and jointly controlled entities, current liabilities exceeding current assets, defaults in loan and interest payments and material uncertainties faced by various projects in the Group and jointly controlled entities or for project for which the Company has provided guarantees and commitments and/or has undertaken to provide financial assistance. However, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. These financial statements have been prepared on a going concern basis for the reasons stated in the said note;
- b. Note 45 to the consolidated Ind AS financial statements, regarding outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 aggregating to Rs. 3,212 lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company of GVK Energy Limited, a jointly controlled entity of the Company;
- c. Note 45 to the consolidated Ind AS financial statements, regarding outstanding minimum alternate tax amounts claimed for reimbursement, disincentives recoverable and other receivable aggregating to Rs. 2,945 lakhs, Rs. 2,151 lakhs and Rs. 54 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in GVK Industries Limited and GVK Gautami Power Limited's books, a subsidiary company and a jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the Company;
- d. Note 44 to the consolidated Ind AS financial statements, regarding material uncertainties being faced by subsidiaries and jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the Company, in which the Company has an investment of Rs. 108,323 lakhs as detailed below:
 - i. Uncertainty towards recovery of capacity charge and supplies/availability of natural gas to gas based power generating plants and power projects under construction of a subsidiary company and a jointly controlled entity of GVK Energy Limited.
 - ii. Uncertainty towards availability of fuel and regulatory approvals faced by coal plant of subsidiary company of GVK Energy Limited.
 - iii. Uncertainty towards determination of final tariff pending disposal of petitions for approval of extension of scheduled commercial operation date, approval of capital cost and other matters of hydro plant of a subsidiary company of GVK Energy Limited.
- e. Note 43 to the consolidated Ind AS financial statements, the Company has made investments and has receivables aggregating to Rs. 51,815 lakhs and provided guarantees and commitments for loans amounting to Rs. 752,110 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017, and has undertaken to provide financial assistance of USD 460 million (Rs. 31,104 lakhs) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 2,119 million (Rs. 1,432,932 lakhs) as at June 30, 2016 and has incurred loss of USD 122 million (Rs. 83,017 lakhs) for the year ended June 30, 2016, based on unaudited financial statements, is witnessing material uncertainties. The Management believes that for reasons more fully stated in the note, the entity would establish profitable operations and no adjustments is required to aforesaid investments, receivables, guarantees and commitments; and

- f. We have relied on the Auditor's report of an associate company and as stated in other matters paragraph below includes matters, in respect of which such Auditors report included Emphasis of Matter as given below :

Note 47 to the consolidated Ind AS financial statements, the associate company in the financial year 2013-14, accounted for depreciation as per its accounting policy which was in accordance with the requirements of Schedule XIV of the Companies Act, 1956. The revised useful lives of property, plant and equipment was effective from April 01, 2014 and was in accordance with Part C of Schedule II of the Act. During the financial year 2014-15, the Airport Economic Regulatory Authority ('AERA') in its Order No. 08/2014-15 dated June 10, 2014 issued to the associate company has stated that it has initiated the process to issue a notification on the useful lives for airport specific assets based on the guidance provided in Part B of Schedule II of the Act. We have been informed by the Management that pending notification of such useful lives of property, plant and equipment by AERA, the associate company would continue to follow the useful lives of property, plant and equipment as per the existing accounting policy. Pending the aforesaid notification from AERA, any impact on the depreciation, book value of property, plant and equipment and the consequential impact on profit for the year, reserves and surplus as at March 31, 2017 and taxes including deferred taxes of the associate company is currently not ascertainable.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, restructuring of loans, obtaining additional funds, notification, legal interpretations and resolution of uncertainty around availability of gas and coal and coal prices, ability to establish profitable operations as referred to in the relevant notes to the consolidated Ind AS financial statements referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the consolidated Ind AS financial statements. Our opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and jointly controlled entities, as noted in the 'other matter' paragraph, to the extent applicable, we report that:
 - a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, we/the other auditors whose reports we have relied upon, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act and Companies (Indian Accounting Standard) Rules, 2015, as amended;
 - e) The matter described in the Basis for Qualified Opinion paragraph above, and matters described in sub-paragraphs (a) to (e) under the Emphasis of Matter paragraph, in our opinion, may have an adverse effect on the functioning of the Group;
 - f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled entities incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of

the Holding Company and its subsidiary companies, associate companies and jointly controlled entities incorporated in India, refer to our separate report in “Annexure 1” to this report;

- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and jointly controlled entities, as noted in the ‘Other matter’ paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities – Refer note 37 to the consolidated Ind AS financial statements;
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled entities incorporated in India during the year ended March 31, 2017; and
 - iv. The Holding Company, subsidiaries, its associates and jointly controlled entities incorporated in India, have provided requisite disclosures in Note 56 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company and based on the consideration of the report of the other auditors on separate financial statements, regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its associates and jointly controlled entities and as produced to us by the Management of the Holding Company.

Other Matter

We did not audit the financial statements and other financial information, in respect of nineteen subsidiaries, whose Ind AS financial statements include total assets of Rs. 973,353 lakhs and net assets of Rs. 220,818 lakhs as at March 31, 2017, and total revenues of Rs. 47,487 and net cash outflows of Rs.6,875 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. The accompanying consolidated Ind AS financial statements include total assets of Rs.1,312,730 lakhs and net assets of Rs.188,476 lakhs as at March 31, 2017, and total revenues and net cash inflows of Rs. 302,598 lakhs and Rs.11,996 lakhs respectively for the year ended on that date, in respect of a subsidiary, which has been audited by SRBC & Co LLP jointly with other auditors. The above financial information are before giving effect to any consolidation adjustments. The consolidated Ind AS financial statements also include the Group’s share of net loss of Rs. 69,932 lakhs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of ten associates and joint controlled entities, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management.

Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Vikas Kumar Pansari

Partner

Membership Number: 093649

Place of Signature: Hyderabad

Date: May 24, 2017

Annexure-1 to the Independent Auditor's report of even date on the consolidated Ind AS financial statements of GVK Power & Infrastructure Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of GVK Power & Infrastructure Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of GVK Power & Infrastructure Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2017:

The Holding Company's and one of the subsidiary company's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Holding Company and subsidiary company not recognising possible impairment losses.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria in respect of the Holding Company, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seventeen subsidiary companies, ten associate companies and jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the consolidated Ind AS financial statements of the Holding Company which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss including the statement of Other Comprehensive Income, the Consolidated Cash Flow Statement for the year then ended, the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, and our report dated May 24, 2017 expressed a qualified opinion.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Vikas Kumar Pansari

Partner

Membership Number: 093649

Place: Hyderabad

Date: May 24, 2017

Consolidated Balance Sheet as at March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Notes	March 31, 2017	March 31, 2016	April 01, 2015
Assets				
Non-current assets				
Property, plant and equipment	3	1,071,239	1,102,211	963,498
Capital work in progress	3A	83,261	91,547	222,430
Investment Property	3B	11,649	11,649	11,638
Goodwill	4	112,237	112,237	112,237
Other intangible assets	4	221,283	228,854	72,292
Intangible assets under development	4A	59,354	53,030	138,824
Financial assets	5			
Investments	5A	165,831	360,809	328,661
Loans	5B	5	6	6
Trade receivables	5C	33	-	-
Other financial assets	5D	19,955	6,922	4,174
Tax assets		25,114	14,672	9,980
Other non-current assets	6	82,008	82,094	70,432
Deferred tax assets (net)	7	12,386	10,465	10,185
Total		1,864,355	2,074,496	1,944,357
Current Assets				
Inventories	8	1,069	904	781
Financial assets	9			
Investments	9A	9,875	1,988	4,616
Trade receivables	9B	44,385	44,410	31,892
Cash and cash equivalents	9C	85,126	79,845	121,535
Other bank balances	9D	17,657	10,771	12,468
Loans	9E	10,770	2,480	4,046
Other financial assets	9F	16,609	16,608	23,526
Current tax assets		880	379	12,923
Other current assets	10	12,397	7,129	5,412
Assets classified as held for sale	30	-	957	-
Total		198,768	165,471	217,199
Total Assets		2,063,123	2,239,967	2,161,556
Equity and Liabilities				
Equity				
Equity share capital	11	15,792	15,792	15,792
Other equity		(45,476)	84,328	148,884
Equity attributable to owners of the Company		(29,684)	100,120	164,676
Non-controlling interests		140,565	100,520	101,810
Total Equity		110,881	200,640	266,486
Non-current liabilities				
Financial Liabilities				
Borrowings	12	1,051,151	1,259,157	1,072,150
Other financial liabilities	13	108,460	129,743	67,354
Provisions	14	1,344	1,089	900
Deferred tax liabilities, net	15	14,560	24,107	22,483
Other non-current liabilities	16	79,829	69,723	72,937
Total		1,255,344	1,483,819	1,235,824
Current liabilities				
Financial liabilities				
Borrowings	17	238,588	287,338	285,573
Trade payables	18	27,766	22,675	19,945
Other financial liabilities	19	376,049	196,869	307,465
Provisions	20	2,805	2,474	2,235
Current tax liabilities, net		9,378	7,954	3,902
Other current liabilities	21	42,312	38,198	40,126
Total		696,898	555,508	659,246
Total Equity and liabilities		2,063,123	2,239,967	2,161,556
Summary of significant accounting policies	1 & 2			

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm registration number: 101049W/E300004

Chartered accountants

per **Vikas Kumar Pansari**

Partner

Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of

GVK Power & Infrastructure Limited**Dr. GVK Reddy**

Chairman & Managing Director

DIN: 00005212

A Issac George

Director & CFO

DIN: 00005456

G V Sanjay Reddy

Director

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Notes	March 31, 2017	March 31, 2016
Income			
Revenue from operations	22	351,647	320,687
Other income (net)	23	53,266	51,002
Total income		404,913	371,689
Expenses			
Employee benefits expense	24	20,119	16,439
Annual fee to Airport Authority of India		118,770	106,606
Finance costs	25	189,037	165,076
Depreciation and amortisation expense	26	66,867	54,896
Other expenses	27	97,126	80,509
Total expenses		491,919	423,526
Loss before exceptional items, share of profit from associate & joint venture and tax		(87,006)	(51,837)
Share of profit of associate		23,464	18,206
Share of profit of joint venture		(65,094)	(27,094)
Profit before tax		(128,636)	(60,725)
Tax expense			
Current tax	28	17,144	6,650
Deferred tax	28	(11,417)	1,344
Total tax expense		5,727	7,994
Loss for the year		(134,363)	(68,719)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		(169)	(33)
(b) Share of OCI from Associate/JV		(40)	(12)
(c) Income tax relating to items that will not be reclassified to profit or loss (includes deferred tax of Rs 51)		56	-
B Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		(125)	190
(b) Share of OCI from Associate/JV		(8)	(21)
Total other comprehensive (expense)/income		(287)	124
Total comprehensive income for the year		(134,650)	(68,595)
Profit for the year attributable to:			
- Owners of the Company		(130,228)	(64,680)
- Non controlling interests		(4,135)	(4,039)
		(134,363)	(68,719)
Other comprehensive income for the year attributable to:			
- Owners of the Company		(287)	124
- Non controlling interests		-	-
		(287)	124
Total comprehensive income for the year attributable to:			
- Owners of the Company		(130,515)	(64,556)
- Non controlling interests		(4,135)	(4,039)
		(134,650)	(68,595)
Earnings per equity share (Equity shares, par value of Re. 1 each)			
Basic earnings per share in Rs	29	(8.25)	(4.10)
Diluted earnings per share in Rs		(8.25)	(4.10)
Summary of significant accounting policies	1 and 2		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm registration number: 101049W/E300004

Chartered accountants

per **Vikas Kumar Pansari**

Partner

Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of

GVK Power & Infrastructure Limited

Dr. GVK Reddy

Chairman & Managing Director

DIN: 00005212

A Issac George

Director & CFO

DIN: 00005456

G V Sanjay Reddy

Director

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Statement of Consolidated Cash flow for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

		March 31, 2017	March 31, 2016
1	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and after other comprehensive items	(128,978)	(60,601)
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation (net)	66,867	54,896
	Loss on sale of fixed assets (net)	5,053	11,677
	Bad debts written off	-	100
	Interest expense	186,663	161,631
	Interest income	(14,433)	(10,995)
	Liabilities written back	(474)	(1,448)
	Income from investment	(400)	(449)
	Gain on dilution/disposal of investment in associate/joint venture	(36,619)	(34,964)
	Share of Profit/loss OCI from Associate/joint venture	41,582	8,855
	Fair value loss on investments	22,498	1,421
	Operating Profit before Working Capital Changes	141,759	130,123
	Change in operating assets and liabilities		
	Increase in Provisions	586	428
	Increase in Trade payables, other financial liabilities and current liabilities	29,366	45,884
	Increase in Financial Assets loans, others, other current and noncurrent assets	(3,929)	(4,691)
	Increase in Trade receivables	(8)	(12,618)
	Increase in Inventories	(165)	(123)
	Cash Generated from Operations	167,609	159,003
	Income tax (paid) / Refund received	(26,658)	5,254
	Net Cash flow from Operating Activities	(A) 140,951	164,257
2	CASH FLOW USED IN INVESTING ACTIVITIES		
	Purchase of fixed assets (including capital work in progress and capital advances)	(48,919)	(163,220)
	Proceeds from sale of fixed assets	-	8,864
	(Purchase) / proceeds from sale of current investments (net)	(7,487)	3,077
	Purchase of non-current investments	(51,946)	(7,460)
	Proceeds from sale of non-current investments	220,173	-
	Loans (given) to / taken from related parties and others (net)	(8,289)	1,566
	Movement of Non current bank balances	(13,900)	-
	(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)	(6,886)	1,697
	Interest received	6,997	6,477
	Net Cash flow used in Investing Activities	(B) 89,743	(148,999)

			March 31, 2017	March 31, 2016
3	CASH FLOW USED IN FINANCING ACTIVITIES			
	Proceeds from Minority Interest		44,180	2,749
	Proceeds from Long term Borrowings		199,613	225,590
	Repayment of long term borrowings		(234,164)	(141,258)
	Proceeds from short term borrowings (net)		(48,750)	1,765
	Interest paid		(186,292)	(145,794)
	Net Cash flow from/(used in) Financing Activities	(C)	(225,413)	(56,948)
	Net Increase in Cash and Cash Equivalents	(A+B+C)	5,281	(41,690)
	Cash and Cash Equivalents at the beginning of the year		79,845	121,535
	Cash and Cash Equivalents at the end of the year		85,126	79,845
	Components of cash and cash equivalents			
	Balance with banks:			
	Current accounts		49,859	62,828
	Cash		35,146	16,865
	Cheques		121	152
	Cash and bank balances as per balance sheet		85,126	79,845
	Total cash and cash equivalents (refer note 9C)		85,126	79,845

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. GVK Reddy
Chairman & Managing Director
DIN: 00005212

A Issac George
Director & CFO
DIN: 00005456

G V Sanjay Reddy
Director
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Consolidated Statement of changes in equity for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

a. Equity

Equity shares of INR 1 each issued, subscribed and fully paid	No.	Rs. In Lakhs
Issued and Paid up Capital at April 1, 2015	1,579,210,400	15,792
Issued during the year	-	-
Balance at March 31, 2016	1,579,210,400	15,792
Changes in equity share capital during the year	-	-
At March 31, 2017	1,579,210,400	15,792

b. Other Equity

	Attributable to owners of GVK Power & Infrastructure Limited							Non Controlling Interests	Total
	Reserves and Surplus					Items of OCI			
	Loss on Treasury Shares	Capital Reserve	Secu-rities premium reserve	General reserve	Retained earnings	Foreign Currency Trans-lation Reserve	Total Other Equity		
As at April 01, 2015	(4,789)	39,351	215,935	952	(102,382)	(183)	148,884	101,810	250,694
Transactions with Owners in their capac-ity as owners							-	2,749	2,749
Profit for the year	-	-	-	-	(64,680)		(64,680)	(4,039)	(68,719)
Other Comprehensive Income					(66)	190	124		124
As at March 31, 2016	(4,789)	39,351	215,935	952	(167,128)	7	84,328	100,520	184,848
Transactions with Owners in their capac-ity as owners	-	-	-	-	-	-	-	44,180	44,180
Profit for the year	711	-	-	-	(130,228)		(129,517)	(4,135)	(133,652)
Other Comprehensive Income					(162)	(125)	(287)	-	(287)
As at March 31, 2017	(4,078)	39,351	215,935	952	(297,518)	(118)	(45,476)	140,565	95,089

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

1 Corporate information

GVK Power & Infrastructure Limited ("Parent Company" or "the Company") is primarily engaged in the business of providing operation and maintenance services, manpower & consultancy services and incidental services to owners of power plants, airports and infrastructure companies. The Parent Company together with its subsidiaries, joint ventures and associates (collectively termed as "the Group") is engaged in constructing and operating power plants, highway projects, airports, exploration of oil and coal mines.

2 Significant accounting policies

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Group has prepared in accordance with Ind AS. Refer to note 50 for information on how the Group adopted Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial instruments are measured either at fair value or amortized cost depending upon classification;
- Long term borrowings, are measured at amortized cost using effective interest rate method;
- Investment in joint venture which is accounted for using equity method."

2.2 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

"Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The acquisition method of accounting is used to account for business combinations by the group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures accounted for using the equity method (see (iv) below), after initially being at cost consolidated sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

"The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current."

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

b. fair value measurement

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

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use."

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above."

c. Foreign currencies:

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- Exchange differences arising on monetary items that are designated as part of the hedge of The Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The Group evaluates whether it is acting as a principal or agent in all of its revenue arrangements based on the following criteria:

- who has the primary responsibility for providing the goods or services to the customer or for fulfilling the order, for example by being responsible for the acceptability of the products or services ordered or purchased by the customer;
- who has inventory risk before or after the customer order, during shipping or on return;
- who has latitude in establishing prices, either directly or indirectly, for example by providing additional goods or services; and
- who bears the customer's credit risk for the amount receivable from the customer

The Company recognises revenue on gross basis when it is determined that the Company is acting as a principal and on net basis when it is determined that the Company is acting as an agent

The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services:

- Rendering of operation and maintenance services:

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in accordance with the Operation and Maintenance agreement with its customer. As per the operations and maintenance agreements, the Holding Company's income comprises of (a) Operating fees and (b) Reimbursement of actual expenses. Operating fees are linked to generation of electricity including deemed generation and is suet to escalations.

- Manpower and consultancy services:

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

- Aeronautical services:

One of the company in the group company derives its revenues from providing services and facilities to airlines, passengers, other concessionaries and importers, exporters and their agents which mainly comprise of revenues from aeronautical, non-aeronautical and cargo services.

- Revenue from aeronautical services (net of credit notes) includes landing and parking charges, aerobridge charges and user development fee (UDF) at the rates prescribed under State Support Agreement, as amended from time to time by Ministry of Civil Aviation, Government of India ("MoCA") / Airports Economic Regulatory Authority ("AERA"). Landing, parking and aerobridge charges are recognized, when such services are provided. UDF is recognized in respect of each embarking passenger at a specified rate. Passenger service fees – security component (PSF-SC) collected as per the terms of State Support Agreement and MoCA orders, is not recognized as revenue of the Company since the same is collected in a fiduciary capacity.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

(ii) Revenue from non-aeronautical services (net of credit notes) consisting of concessions, rentals, public admission fees, hangar charges, car parking rentals, into plane, demurrage on cargo etc., is recognized as per terms of contracts when services are rendered.

(iii) Revenue from cargo services (net of credit notes) is recognized as per the terms of the contract in case of concession contracts and for others as and when the related services are rendered.

(iv) Income from Toll Operations

The revenue is recognised as and when traffic passes through toll - plazas.

(v) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is included in finance income in the statement of profit and loss.

(vi) Dividend Income

Revenue is recognised when the share holders'/unit holders' right to receive the payment is established, which is generally when shareholders approve the dividend.

(vii) Guarantee commission

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, a deferred income is recognised and is released to profit or loss on systematic basis over useful life of the asset and is reduced from the related depreciation and amortisation expenses.

f. Taxes

Current income tax:

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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 taxes relate to the same taxable entity and the same taxation authority.

g. Non-current assets held for sale

"The Group classifies non-current assets and disposal groups (group of assets with directly associated liabilities) as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Non-current assets and disposal groups as held for sale/ distribution are sold /distributed within one year from the date of classification.

Non-current assets held and disposal groups for sale/ distribution to owners are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale/ distribution to owners are not depreciated or amortised."

h. Property, plant and equipment

Property, plant and equipment including land are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction/erection period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent expenditure incurred on existing property, plant and equipment is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2015 measured as per previous GAAP and adjusted for (i) Government grant relating to the aeronautical assets (as per Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance') that had earlier been netted off in their carrying amounts and (ii) transaction costs relating to borrowings that had earlier been capitalised with the cost of property, plant and equipment. (as per Ind AS 23 'Borrowing Costs')

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Freehold land is not depreciated. The Company based on its technical assessment of usage pattern of assets believes that useful life of the following assets is

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

different from those prescribed in Schedule II of the Companies Act, 2013 as given under:

Asset Class	Useful Life
Buildings (other than factory buildings) other than RCC Frame Structure	5 to 30 years
Buildings - Temporary Structure	5 years
Runways, taxiways and aprons	7 - 30 years
Roads	5 - 10 years
Vehicles	11 Years
Electrical Installations & Equipment	5 - 10 years
Plant and Equipment	7.5 - 10 years
Furniture and fittings	10 years
Office Equipment - Mobile Phones	2 years

Further depreciation on assets covered under definition of "Generating Station" as defined in "Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014" is provided under Straight Line Method at the rates and the manner prescribed under the State Regulations if they prescribe rates and the manner of depreciation else on the basis of rates and manner prescribed in Central Regulations.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Spare parts, standby equipments and service equipments are recognised in accordance with Ind AS 16 'Property, Plant and Equipment', when they meet the definition of property, plant and equipment.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at 1st April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

j. Investment property

Investment properties is property either to earn rental income or for capital appreciation or for both but not for sale in ordinary course of business, use in production or supply of goods or services or for administrative purpose. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

k. Concession intangible and financial assets

Some companies in the Group constructs infrastructure (construction services) and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company bears the demand risk. The financial asset model is used when the company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

If the company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable

- An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered.
- The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised over the duration of the concession.
- In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease.

Company as a lessee:

Operating lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor:

Operating lease

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase.

n. Inventories

Inventories in the form of stores and spare parts held for use in rendering of services are valued at cost. Cost is determined on

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

a weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

o. Impairment of non-financial assets

Each Company in the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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

p. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q. Retirement and other employee benefits

Defined Contribution plan

Retirement and other employee benefit in the form of provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme and the Group recognizes contribution payable to the fund/ scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Defined benefit plan

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet. Remeasurement, comprising of actuarial gains and losses, (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss. The Group presents the leave as a current liability in the balance sheet.

r. Financial instruments :

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

Financial assets

Initial recognition and measurement:

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

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

There are no debt instruments measured at fair value through OCI and fair value through Profit or Loss. There are no equity instruments other than investment in Subsidiaries and Joint Venture Company.

- Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Each Company in the Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
 - Financial assets measured at FVTOCI;
- Expected credit losses are measured through a loss allowance at an amount equal to:
- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
 - full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Subsequent measurement:

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

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to profit & loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition :

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. There are no reclassification of financial assets

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

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

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

s. Treasury shares:

The group has created GVK Employee Welfare Trust (EWT) for welfare of its employees. The EWT buys shares of the company from the market, for welfare of the employees. The group treats EWT as its extension and shares held by EWT are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognised at cost and are disclosed under other equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

u. Contingent Assets and Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

v. Trade Receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

w. Trade Payables

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service provided or not. Trade payables are classified as current liabilities.

x. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

a) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the accounting policies. This note provides the overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each effected line item in the financial statements.

The areas involving critical estimates and judgements are :

- Estimated useful life of Property, plant and equipment – Note 2A

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- Estimated useful life of Intangible assets – Note 2A

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have financial impact on the company and that are believed to be reasonable under the circumstances.

3. Property, plant and equipment and capital work -in-progress

Description of Assets	Free-hold land	Buildings	Computers	Roads	Bridges	Runways, Taxiways and Apron	Tools and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Communication Equipment	Total
At Cost													
At April 1, 2015	21	589,390	7,038	8,273	53,529	122,921	110,257	466	36,354	35,049	196	4	963,498
Additions/Adjustments during the year	-	105,138	151	378	276	51,452	28,014	215	8,271	16,332	117	-	210,344
Disposals/Adjustments during the year	-	264	-	-	-	-	-	13	-	-	18	-	295
At March 31, 2016	21	694,264	7,189	8,651	53,805	174,373	138,271	668	44,625	51,381	295	4	1,173,547
Additions/Adjustments during the year	269	14,798	(38)	204	1,578	26,553	3,372	(345)	1,225	1,710	118	-	49,444
Disposals/Adjustments during the year	-	321	21	-	-	-	148	2	3	21	19	-	535
At March 31, 2017	290	708,741	7,130	8,855	55,383	200,926	141,495	321	45,847	53,070	394	4	1,222,456
Depreciation													
At April 1, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	25,383	1,547	1,597	2,050	9,178	21,114	216	4,828	5,411	45	2	71,371
Disposals/Adjustments during the year	-	6	-	-	-	-	-	11	-	-	18	-	35
At March 31, 2016	-	25,377	1,547	1,597	2,050	9,178	21,114	205	4,828	5,411	27	2	71,336
Depreciation expense for the year	-	27,347	1,866	1,401	1,999	13,650	22,609	(230)	5,331	6,018	58	1	80,050
Disposals/Adjustments during the year	-	56	19	-	-	-	64	1	1	11	17	-	169
At March 31, 2017	-	52,668	3,394	2,998	4,049	22,828	43,659	(26)	10,158	11,418	68	3	151,217
Net Block													
At April 1, 2015	21	589,390	7,038	8,273	53,529	122,921	110,257	466	36,354	35,049	196	4	963,498
At March 31, 2016	21	668,887	5,642	7,054	51,755	165,195	117,157	463	39,797	45,970	268	2	1,102,211
At March 31, 2017	290	656,073	3,736	5,857	51,334	178,098	97,836	347	35,689	41,652	326	1	1,071,239

Net book value	31-Mar-17	31-Mar-16	01-Apr-15
Plant, property and Equipment	1,071,239	1,102,211	963,498
Capital Work in progress	83,261	91,547	222,430

- Additions during the period include borrowing cost capitalised (net of transaction cost) of Rs Nil (March 31, 2016: Rs 18,695 April 01, 2015: Rs 1,427).
- Certain tangible fixed assets comprising of buildings / improvements, roads, bridges and runways, taxiways and aprons are on land leased by Airports Authority of India ('AAI') to MIAL pursuant to terms of OMDA and Lease Deed between AAI and MIAL.
- As per provisions of OMDA, the Transfer Assets created by MIAL , will have to be mandatorily transferred to AAI upon expiry/ termination of OMDA against Transfer Payments to be made by AAI in accordance with the provisions of OMDA.
- Bridges includes contribution towards elevated expressway to the Terminal 2.
- Additions to Buildings / Improvements includes Rs Nil (2016: Rs 530 Lakhs) towards site development costs.
- As per Part B of Schedule II to the Companies Act 2013 ("the Act") 'Depreciation on specific assets is to be provided considering useful lives and residual value of those assets, as may be notified by the Airports Economic Regulatory Authority of India (AERA) . Since AERA has yet to notify the useful lives and residual values for the said assets, Company has adopted the useful lives and residual values as mentioned in note 2(h) ("Property, plant and equipment") of Notes to Financial Statements.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

3A. Capital work in progress

Particulars	CWIP	Expenditure incurred during construction Period	Total
Opening balance as at April 01, 2015	205,259	17,171	222,430
Additions (refer Note 3.1)	-	12,735	12,735
Capitalised / written off during the year	(113,904)	(29,714)	(143,618)
Closing balance as at March 31, 2016	91,355	192	91,547
Additions (refer Note 3.1)	-	3,154	3,154
Capitalised / written off during the year	(9,505)	(1,935)	(11,440)
Closing balance as at March 31, 2017	81,850	1,411	83,261

3.1) Expenditure incurred during construction Period

Particulars	Additions FY 2016-17	Additions FY 2016-17
Personnel Expenses:		
Salaries, allowances and bonus	2,463	3,914
Staff welfare Expenses	27	116
Power, fuel and water charges	42	75
Stores and consumables	-	1
Rent	38	98
Communication costs	12	20
Travelling and conveyance	230	540
Legal and professional charges	254	1,157
Insurance	-	8
Depreciation	-	12
Miscellaneous expenses	51	280
General and admin costs	35	-
Other expense	-	131
Financial Expenses		
a. Interest expenses	-	7,596
b. Finance charges	2	-
c. Bank charges	-	19
Sub Total (A)	3,154	13,967
Less: Other Income		
Income from current investments	-	166
Interest income	-	1,066
Sub Total (B)	-	1,232
Total (C=A-B)	3,154	12,735

3B. Investment property-Land

Opening balance as at April 01, 2015	11,638
Additions (subsequent Expenditure)	11
Closing balance as at March 31, 2016	11,649
Additions (subsequent Expenditure)	-
Closing balance as at March 31, 2017	11,649

The Group's investment properties consist of vacant land having an extent of about 2600 Acres acquired by GVKPSPL, in five villages Thirumanthurai, Eraiyur, Peraiyur, Pennakonam (North) and Pennakonam (South) in Perambalur district during the year 2007 and 2008 from local villagers. This property is located on the eastern side of NH-45 just after Thirumanthurai Toll Gate when we drive from Chennai to Trichy.

As at March 31, 2017, March 31 2016 and April 01, 2015, the fair values of the properties are Rs 74,860, Rs 60,073 and Rs 50,098 respectively. These valuations are based on valuations performed by Er.L.Balaji. an accredited independent valuer. Er.L.Balaji is a specialist in valuing these types of investment properties.

This investment property has been pledged as security against loans taken by the group (Refer note 12).

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

4. Intangibles

Description of Assets	Goodwill	Computer Software	Airport Grant		Toll collection right	Total
			Upfront fee	Other compensation		
At Cost						
At April 1, 2015	112,237	1,565	10,800	25,177	34,750	184,529
Additions	-	614			162,594	163,208
Disposals		-				-
At March 31, 2016	112,237	2,179	10,800	25,177	197,344	347,737
Additions/Adjustments during the year	-	(969)	-		1,066	97
Disposals/Adjustments during the year	-	-			6	6
At March 31, 2017	112,237	1,210	10,800	25,177	198,404	347,828
Amortization and impairment						
At April 1, 2015						
Amortisation	-	591	514	1,188	4,353	6,646
At March 31, 2016	-	591	514	1,188	4,353	6,646
Amortisation	-	139	514	1,188	5,821	7,662
At March 31, 2017	-	730	1,028	2,376	10,174	14,308
Net Block						
At April 1, 2015	112,237	1,565	10,800	25,177	34,750	184,529
At March 31, 2016	112,237	1,588	10,286	23,989	192,991	341,091
At March 31, 2017	112,237	480	9,772	22,801	188,230	333,520

Net book value	31-Mar-17	31-Mar-16	01-Apr-15
Goodwill	112,237	112,237	112,237
Other intangible assets	221,283	228,854	72,292

Notes:

- Other compensation under Airport Grant represents obligation towards Retirement Compensation as per terms of OMDA.
- The remaining amortisation periods for upfront fees and other compensation is 19 years as on 31st March, 2017.
- Grant received from NHAI amounting to Rs.3,590 has been deducted from intangible asset (i.e., toll collection right) as at transition date.
- Present value of negative grant payable to NHAI over the concession period amounting to Rs.60,041 is added to the cost of the intangible asset (i.e., toll collection right) in FY 2015-16.
- The Group has determined that goodwill on account of acquisition of subsidaires has indefinite useful life. As at March 31, 2017 it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. It was concluded that the fair value exceeds the value in use.

4A. Intangible Assets under development

Particulars	Asset under construction	Expenditure incurred during construction period	Total
Opening balance as at April 01, 2015	103,288	35,536	138,824
Additions (refer Note 4.1)	1,215	6,995	8,210
Capitalised during the year	(92,897)	(1107)	(94,004)
Closing balance as at March 31, 2016	11,606	41,424	53,030
Additions (refer Note 4.1)	449	5,939	6,388
Capitalised during the year	(64)	-	(64)
Closing balance as at March 31, 2017	11,991	47,363	59,354

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

4.1) Intangible Assets under development

Particulars	Additions FY 2015-16	Additions FY 2016-17
Expenditure during construction		
Personnel Expenses:		
Salaries, allowances and bonus	259	11
Travelling and Conveyance	23	0
Legal and Professional Charges	26	19
Miscellaneous expences	71	0
Depreciation	8	7
Financial Expenses		
Interest Expenses	6,617	5,900
Sub Total (A)	7,005	5,939
Less: Other Income		
Dividend income	10	-
Sub Total (B)	10	-
Total (A-B)	6,995	5,939

5. Financial assets

5 A) Non-current investments

	March 31, 2017	March 31, 2016	April 1, 2015
A.Unquoted, in fully paid securities (at cost)			
Investment in associate company			
Bangalore International Airport Limited			
38,460,000 (March 31, 2016: 165,378,000; April 01, 2015: 165,378,000) Equity shares of Rs. 10 each fully paid up	45,950	197,586	197,586
Add: Opening balance of accumulated profit	18,173	-	-
Add: Profit for the year	23,416	18,173	-
Less : Dividend income	(1,654)	-	-
Less : Reduction on account of sale of stake	(31,917)	-	-
	53,968	215,759	197,586
Investment in Joint venture			
(i) Mumbai Aviation Fuel Farm Facility Private Limited			
38,271,250 (March 31, 2016: 38,271,250; April 01, 2015: 4,502,500) Equity shares of Rs. 10 each fully paid up	3,377	3,377	-
Add: Opening balance of accumulated profit/(loss)	199	-	-
Add: Profit / (loss) for the year	655	199	-
	4,231	3,576	-
(ii) GVK Energy Limited			
557,869,479 (March 31, 2016: 557,869,478 ; April 1, 2015: 250,000,000) equity shares of Rs.10 each fully paid-up	114,014	108,896	30,691
Nil (March 31, 2016 : 5,117,647; April 01, 2015 : 83,322,610) 0.001 % compulsory convertible debentures of Rs. 100 each fully paid up	-	5,118	83,323
Add : Profit on deemed dilution	34,964	34,964	-
Add: Opening balance of accumulated profit/(loss)	(27,293)	-	-
Add: Profit / (Loss) for the year	(65,749)	(27,293)	-
	55,936	121,685	114,014
A	114,135	341,020	311,600

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

	March 31, 2017	March 31, 2016	April 1, 2015
B. Unquoted, in fully paid equity shares (at fair value) and preference shares (at amortised cost)			
50,000 (March 31, 2016: 50,000; April 1, 2015: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers Singapore PTE Limited	25	25	25
76,127,540 (March 31, 2016: 35,000,000; April 1, 2015: Nil) non-cumulative redeemable preferential shares of USD 1 each fully paid-up in GVK Coal Singapore PTE Limited (note 53)	28,240	12,121	-
Share application money for purchase of non-cumulative redeemable preferential shares of USD 1 each (at amortised cost)			
GVK Coal Developers Singapore PTE Limited	23,194	7,633	17,030
B	51,459	19,779	17,055
C. Other			
National Savings Certificate (pledged with government authority)	237	10	6
C	237	10	6
Aggregate market value of unquoted investments (A+B+C)	165,831	360,809	328,661

5 B) Loans

	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured, considered good			
Others	5	6	6
	5	6	6

5 C) Trade receivables

	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured, considered good	33	-	-
	33	-	-

5 D) Other financial assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 1, 2015
Deposits with remaining maturity of more than 12 months	13,900	-	-
Margin money deposit	63	63	63
Guarantee commission receivable	2,704	2,771	-
Financial guarantee assets	1,727	2,827	3,847
Interest accrued on bank deposits	6	-	-
Deposits with Government, Public Bodies and Others	1,485	1,204	210
Security deposits	32	27	7
Others	38	30	47
	19,955	6,922	4,174

6. Other non-current assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 1, 2015
Capital advances	76,388	76,444	67,273
Advances	5,524	5,524	2,807
Balance with government authorities	85	118	333
Others	11	8	19
	82,008	82,094	70,432

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

7. Deferred tax assets (net)

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax liabilities			
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment	1,130	1,134	1,225
Others	340	340	28
A	1,470	1,474	1,253
Deferred tax assets			
Gratuity	-	4	6
MAT Credit Entitlement	11,777	10,021	9,732
Indexation benefit on land	2,079	1,914	1,700
B	13,856	11,939	11,438
Deferred tax Assets (net) (A-B)	12,386	10,465	10,185

8. Inventories

	March 31, 2017	March 31, 2016	April 1, 2015
Stores, spares and consumables (at lower of cost and net realisable value)	1,069	904	781
Total	1,069	904	781

9. Financial Assets

9 A) Current investments

	March 31, 2017	March 31, 2016	April 1, 2015
Investment carried at fair value through profit and loss			
Investments in units of Mutual funds	9,875	1,988	4,616
Total	9,875	1,988	4,616

9 B) Trade receivables

	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured, considered good	44,385	44,410	31,892
Doubtful	760	760	660
Total	45,145	45,170	32,552
Less: Allowance for doubtful debts	(760)	(760)	(660)
	44,385	44,410	31,892

MIAL has to recover Rs 14,912 (March 31, 2016: Rs 18,376) from Air India Limited (Air India) a Company wholly owned by Government of India, and its subsidiaries. Air India has been facing financial difficulties and has been settling its dues with delays. Air India has been consistently receiving budgetary support from the Central Government during the past few years which are expected to continue so as to enable it to turnaround. MIAL accordingly considers its dues from Air India as good and recoverable.

9 C) Cash and cash equivalents

	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents			
Balances with Banks			
- On current accounts	35,146	16,865	24,523
- On deposit accounts	49,859	62,750	96,623
Cash on hand	121	152	154
Cheques/ drafts / Stamps on hand	-	78	235
Total Cash and cash equivalents	85,126	79,845	121,535

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

9 D) Other Bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
Deposits with maturity of more than 3 months but less than 12 months	2,109	1,688	-
Deposits held as margin money with maturity of more than 3 months but less than 12 months	15,548	9,083	12,468
	17,657	10,771	12,468

9 E) Loans (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 1, 2015
Loans to related parties			
- Unsecured, considered good	10,650	2,361	3,926
Loans to Others	120	119	120
	10,770	2,480	4,046

9 F) Other financial assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 1, 2015
Unbilled revenue	10,963	10,768	5,088
Receivable from subsidiaries/ joint ventures	-	-	10,297
Interest accrued	1,049	612	715
Advances	2,504	2,512	2,960
Deposits with Government, Public Bodies and Others	498	815	928
Security deposits	7	2	2
Guarantee Commission receivable	27	22	1,714
Financial guarantee assets	1,501	1,875	1,820
Others	60	2	2
	16,609	16,608	23,526

Break up of financial assets carried at amortised cost

	March 31, 2017	March 31, 2016	April 1, 2015
Non current investments	51,671	19,764	17,036
Loans	10,775	2,486	4,052
Trade receivables	44,418	44,410	31,892
Cash and cash equivalents	85,126	79,845	121,535
Other bank balances	17,657	10,771	12,468
Other financial assets	36,564	23,530	27,700
	246,211	180,806	214,683

Break up of financial assets carried at fair value through statement of profit and loss (P&L)

	March 31, 2017	March 31, 2016	April 1, 2015
Current investments	9,875	1,988	4,616
Non current investments	25	25	25
Total financial assets carried at fair value through P&L	9,900	2,013	4,641

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

10. Other current assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 1, 2015
Prepaid expenses	1,387	1,050	1,221
Advances	4,406	1,285	630
Balance with government authority	406	329	426
Development Fee receivable			
- Billed and receivable from airlines (including interest accrued)	3,555	2,220	1,760
- Balance with banks under control of AAI	1,054	803	946
Receivables on account of passenger service fee (security component), net	1,400	1,220	158
Other advances	189	222	271
	12,397	7,129	5,412

11. Equity share capital

	March 31, 2017	March 31, 2016	April 1, 2015
Authorised share capital:			
2,500,000,000 (March 31, 2016: 2,500,000,000; April 01, 2015: 2,500,000,000) equity shares of Rs. 1 each	25,000	25,000	25,000
Issued, subscribed and fully paid-up share capital			
1,579,210,400 (March 31, 2016: 1,579,210,400 April 01, 2015: 1,579,210,400) equity shares of Rs. 1 each	15,792	15,792	15,792

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016		April 1, 2015	
	No.	Amount	No.	Amount	No.	Amount
Equity shares of Re. 1 each fully paid up						
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	1,579,210,400	15,792	1,579,210,400	15,792	1,579,210,400	15,792

b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	March 31, 2017		March 31, 2016		April 1, 2015	
	No.	% of holding	No.	% of holding	No.	% of holding
G. Indira Krishna Reddy	30,958,857	1.96%	28,622,290	1.81%	230,340,730	14.59%
G. V. Sanjay Reddy	55,725,951	3.53%	56,400,154	3.57%	154,334,480	9.77%
Vertex Infratech Private Limited	732,893,902	46.41%	596,306,435	37.76%	140,632,430	8.91%
Krishnam Bhupal	37,150,630	2.35%	25,133,435	1.59%	118,155,990	7.48%
HSBC Global Investment Funds	57,135,461	3.62%	63,605,482	4.03%	110,428,344	6.99%

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

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

12. Non-current borrowings

	Non-current portion			Current maturities		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from banks (secured)	850,928	873,408	799,087	143,593	96,943	66,299
Term Loans from financial institutions (secured)	158,119	341,146	229,720	146,458	19,383	154,309
Term Loans from Others (secured)	42,104	44,603	43,343	1,337	1,607	-
	1,051,151	1,259,157	1,072,150	291,388	117,933	220,608
The above amount includes:						
Secured borrowings	1,051,151	1,259,157	1,072,150	291,388	117,933	220,608
Unsecured borrowings	-	-	-	-	-	-
	1,051,151	1,259,157	1,072,150	291,388	117,933	220,608

Entity wise details of the above long term borrowings are as follows:

	Non-current portion			Current maturities		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
1. Parent Company (GVKPIL)	-	13,951	-	28,761	21,106	31,631
2. BAIDPL	-	4,200	-	-	-	-
3. MIAL	808,820	820,031	801,124	63,411	33,225	-
4. GVK ADL	7,309	183,276	31,499	131,654	6,210	142,090
5. GVK JEPL	72,005	78,799	89,649	15,082	10,754	7,661
6. GVK BVEPL	-	-	-	52,085	46,441	39,226
7. GVK DKEPL	85,429	81,498	72,658	395	197	-
8. GVK RHEPPL	77,588	77,402	77,220	-	-	-
	1,051,151	1,259,157	1,072,150	291,388	117,933	220,608

1. Parent Company (GVKPIL)

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from banks (secured)	28,761	35,057	31,631

- a) Term loan aggregating to Rs. 13,805 is secured by first pari-passu charge on the current assets, present and future of the Company and pledge of 299,000 preference shares of GVKADL out of which 239,800 preference shares are held by SRIL. The loan is further secured by subservient mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVKPSPL and carries an interest of 14.33% per annum. The loan is repayable in twenty four unequal monthly instalments after a moratorium of twelve months from the date of first drawdown viz. April 30, 2016.
- b) Term loan aggregating to Rs. 14,956 is secured by mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVKPSPL and carries an interest of 13.27% per annum. The loan is repayable after a period of 35 months from the date of first drawdown viz. August 27, 2015.

2. BAIDPL

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from financial institutions (secured)	-	4,200	-

"A. Rupee term loans from financial institutions were secured by:

- Pledge of 61% of the equity shares of the GVKADL held by the Parent Company, pledge of 61% of the shares held by the GVKADL in GVKAHPL and BAIDPL each on pari-passu basis with other lenders;
- First pari passu mortgage on Himayatsagar property;
- First pari-passu charge on GVK Office Building comprising of land admeasuring 17,500 sq. yards and building forming part of "Paigah House".
- Further, the loan was secured by corporate guarantee of the parent Company and further pledge of 23% of the equity shares held by the GVKADL in BAIDPL and pledge of 63,648,000 shares of GVKIL held by GVKEL.
- First exclusive charge on entire current assets of GVK ADL.
- Corporate guarantee from GVKPIL.
- Loan carried an interest rate of 16.25% and is prepaid during the year."

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

3. MIAL

	31-Mar-17	31-Mar-16	01-Apr-15
Term loans from			
Banks	368,073	385,544	385,545
Financial Institutions	32,988	34,554	34,554
Additional Term loan from		-	-
Banks	125,017	130,000	101,110
Financial Institutions	28,850	30,000	23,334
Others	19,233	20,000	15,556
Term Loan on securitisation of Development Fees			
Banks	189,469	205,110	217,443
Others	24,208	26,210	27,787
Term Loan on securitisation of Real Estate Deposit			
Banks	62,500	25,515	-
Term Loan			
Loan from bank	25,000	-	-
Less : Unamortised transaction cost	(3,107)	(3,677)	(4,205)
	872,231	853,256	801,124

"A. Term loans from consortium of banks and financial institution amounting to Rs. 368,073 and Rs. 32,988 respectively are secured by way of:

- i) First charge on all the amounts lying in certain designated bank accounts, present and future, of MIAL; and first charge on all assets of the MIAL present and future, to the extent permitted under Operation Management and Development Agreement ("OMDA").
- ii) Pledge of equity shares of MIAL held by the prime members (i.e. GVKAHPL, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.
- iii) Additional security by way of undertaking from prime members (i.e. GVKAHPL, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in proportion to their shareholding for meeting shortfall, if any, between total debt outstanding and termination payments receivable from Airports Authority of India / Government of India.
- iv) Substitution agreement with AAI and lenders agent. Pledge of shares of the JVC, First charge/assignment/creation of security interest on all bank accounts.
- v) Undertaking for non disposal of share-holding to the extent of 26% of entire JVC equity share capital by GVK Group and 26% of entire MAFFPL equity share capital by ACSA/Bidvest
- vi) Assignment of Guarantee furnished by Government of India under the State Support Agreement dated 26th April, 2006. Other terms and conditions of the aforementioned loans:
- vii) The said loans are repayable in 120 monthly instalments commencing from the 109th month after first disbursement i.e. in August 2016. 18% of total loan amount will be repaid in 36 equal instalments commencing from August 2016, 30% of total loan amount will be repaid in 36 equal instalments commencing from August 2019 and balance will be repaid in subsequent 48 equal instalments commencing from August, 2022.
- viii) As per the common loan agreement dated May 27, 2007 (as modified) with consortium of banks and financial institution, the applicable rate of interest is IDBI Base Rate ("the Benchmark Rate") plus 125 bps ("the spread") with effect from April 1, 2014 per annum payable monthly. The interest rate would be reset at the end of every 3 years from April 1, 2014 and once in every 3 years thereafter."

"B. Term loans from consortium of banks, financial institution and others amounting to Rs. 125,017, Rs. 28,850 and Rs. 19,233 respectively are secured by way of:

- i) First pari passu charge on all the amounts lying in certain designated bank accounts, present and future, of MIAL; and first charge on all assets of MIAL present and future, to the extent permitted under OMDA.
- ii) Pledge of equity shares of MIAL held by the prime members (i.e. GVKAHPL, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.
- iii) Additional security by way of undertaking from prime members (i.e. GVKAHPL, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in proportion to their shareholding for meeting shortfall, if any, between total debt outstanding and termination payments receivable from Airports Authority of India / Government of India.
- iv) The borrower shall create a Debt Service Reserve Account (DSRA) to meet the debt service requirements for the ensuing 3 month's principal and interest payment due to lenders / provide a bank guarantee acceptable to Lenders, in lieu of such deposit.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- v) Undertaking for meeting cost overruns by all promoters other than AAI.
- vi) Undertaking for non disposal of shares held by the Prime Members in MIAL to the extent of 74% of the entire equity share capital of MIAL. Provided the equity holding of GVKAHPL in MIAL shall not fall below 38% of the equity capital of MIAL at any point of time during the currency of the Term Loan Agreement.
- vii) Right of substitution of the Borrower / step in by the Lenders as provided under OMDA. The substitution agreement shall be executed within a period of 180 days from the date of loan agreement.

Other terms and conditions of the aforementioned loans:

- viii) The said loans are repayable in 128 structured monthly instalments as per the schedule commencing from August, 2016. Applicable rate of interest shall be IDBI Base Rate ("the Benchmark Rate") plus 1.25%. The interest rate would be reset 3 years from the date of first disbursement by IDBI Bank i.e. September 30, 2014 and every three years thereafter."

"C. Term loans from banks and others on securitisation of Development Fee amounting to Rs. 189,469 and Rs. 24,208 respectively are secured by:

- i) First pari passu charge by way of hypothecation on the ESCROW (ADF) Account, real estate security deposit in excess of Rs. 100,000 and any additional means of finance as may be approved by AERA to fund the shortfall in the cost of the project.
- ii) Second charge over all the bank accounts of MIAL to the extent permitted under OMDA or Escrow agreement dated April 28, 2006 present or in future, including but not limited to the surplus account and all other accounts / sub accounts created under and pursuant to the Trust and Retention Accounts Agreement wherein all the cash inflows from Surplus Account shall be deposited and all the proceeds shall be utilized in the manner and with the prior approval by lenders agent under the TRA Agreement.
- iii) Undertaking to extend first pari passu charge, along with other ADF Lenders, on security stipulated for the senior project loan of Rs. 4,23,100 in the event of default on and/or repayment of the entire senior project loan.
- iv) First charge on the Debt Service Reserve Account (DSRA) equivalent to one quarter interest and principal repayment, to be created within 90 days from the date of first disbursement.
- v) Right of substitution of the Borrower / step-in by the ADF Lenders as provided under OMDA, to be created within 180 days from the date of first disbursement.
- vi) Extension of Guarantee furnished by Government of India under the State Support Agreement dated April 26, 2006. Other terms and conditions of the aforementioned loans:
- vii) The said loans are repayable in 49 structured quarterly instalments as per the schedule commencing from April 01, 2013. Applicable rate of interest shall be Base Rate ("the Benchmark Rate") plus spread ranging from 2% to 2.25%. The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement."

D. Term loans from banks amounting to Rs. 62,500 on securitisation of real estate deposit are secured by second pari passu charge on cash flows of MIAL. Further, loan amounting to Rs. 30,000 from Axis Bank Ltd repayable at the end of 2 years from the date of first disbursement. Applicable rate of interest shall be Axis bank rate plus 2.55%. For Yes Bank Loan of Rs. 32,500 repayable in 24 structured quarterly instalments as per the schedule commencing from June 01, 2019. Applicable rate of interest shall be Yes Bank Base Rate plus 1%.

"E. Term loans from banks amounting to Rs. 25,000 from bank are secured by:

- i) First charge on pari passu basis with existing charge- holders (Existing Lenders) on all amounts lying in Surplus Account.
- ii) First charge on pari passu basis with existing charge- holders (Existing Lenders) over all bank accounts to the extent permitted by AAI under OMDA/Escrow.
- iii) First charge on pari passu basis with existing charge- holders (Existing Lenders) on Pledge of 74% equity shares of MIAL held by Prime Members (viz.GVKAHPL Airport Company of South Africa and Bidvest Group
- iv) Undertaking for non-disposal of shares held by the Prime Members in MIAL to the extent of 74% of the entire equity share capital of MIAL. Provided the equity holding of GVKAHPL in MIAL shall not fall below 38% of the equity capital of the Borrower at any point of time during the currency and until the final settlement date of the Facility.
- v) Undertaking for meeting shortfall, if any, between total debt outstanding (Existing Facilities and L&T Finance Facility) and termination payments receivable from AAI/Gol by all Prime Members. However, in the interim period i.e. till other Prime Members, viz; ACSA Global Ltd, Mauritius (AGL) and Bid Services Division (Mauritius) Ltd (BSDL) provide aforesaid undertaking, GVKAHPL shall provide such undertaking for the entire shortfall, if any, in proportion to their shareholding.
- vi) Right of substitution of the Borrower / step in by the Lenders as provided under OMDA.
- vii) A first mortgage and charge on pari passu basis with existing charge- holders on all the assets of the borrower present and future as permitted under OMDA (if any).

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Other terms and conditions of the aforementioned loans:

- viii) The said loans are repayable in 10 quarterly instalments commencing from December 31, 2017. 90% of total loan amount will be repaid in 6 equal instalments commencing from December 31, 2017, 10% of total loan amount will be repaid in 4 equal instalments commencing from June 30, 2019. Applicable rate of interest shall be 9% (fixed). “

4. GVK ADL

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from financial institutions (secured)	138,963	189,486	173,589

Security:

“(i) Term loans from financial institutions are secured by:

- Pledge of 84% of the equity shares of the GVKADL held by the Parent Company pledge of 68% and 100% of the shares held by GVKADL in GVKAHPL and BAIDPL respectively each on pari-passu basis with other lenders.
- Pledge of 1,000,000 preference shares issued by GVKADL to the Parent Company and SRIL (“Fellow subsidiary”) each on pari-passu basis with other lenders.

ii) The loans are also secured by way of charge on following properties:

- First pari-passu charge on land admeasuring 143 acres situated at Himayathsagar Village & Gram Panchayat, Rejendra Nagar Mandal, Ranga Reddy District (“Himayath Sagar Property”) along with other lenders.
- First pari-passu charge on GVK Office Building comprising of land admeasuring 17,500 sq. yards and building forming part of “Paigah House” owned by Paigah House Hotels Private Limited along with other lenders.

iii) Loan amounting to Rs. 131,654 is further secured by second pari-passu charge on land admeasuring 2,685 acres located in Perambalur District, Tamilnadu owned by GVKPSPL, along with other lenders.

iv) The loans are also secured by way of first pari-passu charge on current and non current assets of GVKADL, GVKAHPL and BAIDPL (“Subsidiaries”) except for the amounts deposited in designated accounts along with other lenders.

v) Loan amounting to Rs. 7,309 is secured by corporate guarantee of the Parent Company.

vi) Loan amounting to Rs.131,654 carries an interest rate of 15.58% per annum and is payable in single bullet payment on May 05, 2017.

vii) Loan amounting to Rs.7,309 carries an interest rate of 19.33% per annum and is payable in quarterly instalments commencing in January 2020.”

5. GVK JEPL

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from banks (secured)	87,087	89,553	43,741
Term Loans from financial institutions (secured)*	-	-	53,569

* IDFC Bank Limited was incorporated on October 21, 2014 as a company under the Companies Act, 2013. Further to the grant of the banking license by the RBI on July 23, 2015 and approval of the Scheme of Arrangement between IDFC Limited and IDFC Bank Limited and their respective shareholders and creditors, IDFC Bank Limited commenced its Banking operations on October 01, 2015. Consequently, Term Loan from IDFC (Financial institution) has been shown as Term Loan from Banks as on March 31, 2016 and subsequent reporting dates.

A. Term loans from banks and financial institutions amounting to Rs. 2,403 are secured by way of

- first charge on immovable properties of GVKJEPL present and future.
- first charge by way of hypothecation of all movables, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.
- first charge on all cash flows, books debts and receivables and other revenues of whatsoever nature and wherever arising, present and future.
- first charge on all intangibles including but not limited to Goodwill and uncalled capital, present and future.
- first charge by way of assignment or creation of security interest in:
 - all the rights, titles, interest, benefits, claims and demands whatsoever of GVKJEPL in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time;

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(All amounts in INR lakhs, except share data and where otherwise stated)

- b) all the rights, title, interest, benefits, claims and demands whatsoever of GVKJEPL in the clearances, and in any letter of credit, guarantee, performance bond provided by any party to the project documents and all insurance contracts / proceeds.
- vi) first charge on the Escrow Account and other reserves and other bank accounts of GVKJEPL wherever maintained.
- vii) pledge of shares to the extent of 51% of the Equity Shares of GVKJEPL held by the holding Company GVKTPL
- viii) further secured by way of a Bank Guarantee for Rs. 9,250 Lakhs.

Other terms and conditions of the aforementioned loans:

- ix) Rate of Interest: Interest payable at the rate of 10.50% per annum and which is subject to reset once in every year.
- x) Terms of Repayment:
 - a) from banks is repayable in 40 quarterly instalments commencing from January, 2007
 - b) from financial institutions is repayable in 120 monthly instalments commencing from January, 2007
- B. Term loans from banks and financial institutions amounting to Rs. 76,463 are secured by way of
 - i) second charge by way of mortgage of entire immovable properties of GVKJEPL, save and except Project Assets, both present and future;
 - ii) second charge by way of hypothecation of entire movable properties of GVKJEPL, save and except Project Assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature;
 - iii) second charge on entire cash flows, receivables, book debts and revenues of GVKJEPL of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future;
 - iv) second charge on entire intangible assets of GVKJEPL, including but not limited to goodwill and uncalled capital, both present and future;
 - v) way of pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of GVKJEPL subject to encumbrance created in favour of the existing Senior Lenders to the Project;
 - vi) first charge on the Surplus Cash flows, Surplus Account and the Surplus Debt Service Reserve of GVKJEPL;

Other terms and conditions of the aforementioned loans:

- vii) Rate of Interest: Interest payable at the rate of 10.25% per annum and which is subject to reset once in every year.
- viii) Terms of Repayment: Repayable in 120 monthly instalments from November 2011.

C. Term loans from banks amounting to Rs. 8,221 are secured by way of

- i) second charge by way of mortgage of entire immovable properties of the Company, save and except Project Assets, both present and future;
- ii) second charge by way of hypothecation of entire movable properties of the Company, save and except Project Assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature;
- iii) second charge on entire cash flows, receivables, book debts and revenues of the Company of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future;
- iv) second charge on entire intangible assets of the Company, including but not limited to goodwill and uncalled capital, both present and future;
- v) way of pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of the Company, subject to encumbrance created in favour of the existing Senior Lenders to the Project;
- vi) first charge on the Surplus Cash flows, Surplus Account.

Other terms and conditions of the aforementioned loans:

- vii) Rate of Interest: Interest payable at the rate of 10.25% per annum and which is subject to reset once in every year.
- viii) Terms of Repayment: Repayable in 26 quarterly instalments from September 2016.

6. GVK BVEPL

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from banks (secured)	40,332	36,008	30,774
Term Loans from financial institutions (secured)	11,753	10,433	8,452

Term loans from banks and financial institutions secured by way of

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- (i) First charge on all the present and future tangible moveable assets, machinery spares, tools and accessories etc, save and except the Project Assets as defined under the Rupee Loan agreement.
- (ii) First charge on all the bank accounts of GVKBVEPL including Debt Service Reserve Account/Escrow accounts/its sub accounts except the Distribution Sub-Sub account. Charge on the Escrow account shall be in a manner and only to the extent of order of priorities of payment as permitted under the Escrow agreement and supplementary Escrow agreement.
- (iii) First charge on all intangibles of GVKBVEPL including goodwill, rights, undertakings and uncalled capital both present and future save and except the Project Assets as defined under the Rupee Loan agreement.
- (iv) Assignment by way of security of the right, title, interests, benefits, claims and demands of GVKBVEPL in and under all the project documents, approvals, insurance contracts, letter of credit, guarantees, liquidated damages and performance bond. Provided however, that the assignment as mentioned above shall be in accordance with and to the extent provided under the Substitution agreement.
- (v) Pledge of 51% of voting equity share capital of GVKBVEPL held by the Sponsor's until the Commercial Operation Date (COD). Subject to there being no default, Pledge of shares will be gradually reduced to 33% from COD for a period of 3 years and thereafter to 26% till final settlement date.
- (vi) Provided further that the charges, assignment and pledge on the assets shall in all respect rank Pari Passu inter se the Lenders without any preference or priority to one over the other or others.

Other terms and conditions of the aforementioned loans:

- (vii) The interest rate on Indian rupee loans from the Consortium of Banks is @ 11.75% p.a.
- (viii) The repayment schedule for the term loans is shifted by 2 years, quarterly repayments commencing from December 31, 2017 ranging between Rs. 33 Lakhs to Rs. 4,013 Lakhs, for which the Lead lender, Axis Bank, and the other Consortium Lenders Central Bank of India, Punjab and Sindh Bank, Oriental Bank of Commerce and India Infrastructure Finance Company Limited have given their sanctions as on the date of the Balance sheet. There is no change in the other terms and conditions. Sanction from State of Bank of Mysore is awaited. On receipt of sanction from State Bank of Mysore, necessary documentation will be executed to give effect to the shift in repayment schedule.

7. GVK DKEPL

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from banks (secured)	71,388	67,241	59,349
Term Loans from financial institutions (secured)	14,436	14,454	13,310

Term loans from banks and financial institutions secured by way of

- (i) A first ranking pari passu charge on all the present and future immovable and moveable assets and intangible assets except the Project Assets as defined under the Rupee Loan agreement.
- (ii) A first ranking pari passu charge on all revenues and receivables of the Borrower from the Project or otherwise.
- (iii) Pledge of 51% of the paid-up equity shares of the Company held by GVKTPL (the "Sponsor") until the Commercial Operation Date and Pledge of 26% of the paid-up equity shares of the GVKDKEPL held by the Sponsor for a period of 2 years from Commercial Operation Date.
- (iv) A first ranking pari passu charge / assignment by way of security of all the project documents to the extent provided under the Substitution Agreement entered into by GVKDKEPL with the Rupee Lender and the NHAI.
- (v) A first ranking pari passu charge on all rights, title, interests, benefits, demands, and claims under the contractor guarantees, liquidated damages, any guarantees, letter of credit, or performance bonds provided by any counter party under any contract of GVKDKEPL, Insurance Contracts, and Insurance proceeds.

Other terms and conditions of the aforementioned loans:

- (vi) Term loans (RTL I & RTL II) carries interest @ 11.50% p.a and RTL III carries interest @ 10.25 %
- (vii) The Rupee Term Loan I & II are repayable in 58 quarterly instalments starting from September 30 2016 and September 30 2018 respectively as per the Amendment Agreement to Common Loan Agreement. The quarterly instalment amounts are a percentage of the rupee loan disbursed and varies from 0.10% to 3.24 % (maximum) as mentioned in the repayment schedule to the Rupee loan agreement.
- (viii) The Rupee Term Loan III are repayable in 59 quarterly instalments starting from June 30 ,2023 as per the Rupee Loan Agreement. The quarterly instalment amounts are a percentage of the rupee loan disbursed and varies from 0.50% to 25.00 % (maximum) as mentioned in the repayment schedule to the Rupee loan agreement.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

8. GVK RHEPPL

	March 31, 2017	March 31, 2016	April 1, 2015
Term Loans from financial institutions (secured)	77,588	77,402	77,220

1. Rupee term loan from financial institution is secured by

a) A first ranking Charge/Mortgage/ assignment/hypothecation on:

- i) all of the GVK RHEPPL immovable properties, present and future, except forest land, river bed area and land for realignment of National Highway - 1B, subject to the Transfer of Property Act of the State Government of Jammu & Kashmir and Right to Use Forest Land.
- ii) All of the GVK RHEPPL movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future, intangible, goodwill, uncalled capital, present and future relating to the Project:
- iii) all book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, of the GVK RHEPPL present and future: and
- iv) the Debt Service Reserve Account, the Trust and Retention Account, any letter of credit and other reserves and any other bank accounts of GVK RHEPPL wherever maintained, present and future;

b) First ranking assignment of the following:

- i) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL in the Project Documents (including but not limited to Power Purchase Agreements/memorandum of understanding for sale of power, package/ engineering, procurement and construction contracts/Construction contracts, O & M Agreement, Land lease Agreements, etc.), if any, duly acknowledged and consented to by the relevant counter parties to such Project Documents, each as amended, varied or supplemented from time to time.
- ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the permits, approvals and Clearances pertaining to the Project.
- iii) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party under the Project Documents: and
- iv) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL under all Insurance Contracts / Insurance Proceeds.
- c) As collateral Security, a first ranking pledge over shares held by GVK DPPL constituting 51% of the total issued shares, which may be reduced by the Rupee Lenders to a pledge over Shares constituting 30% of the total issued shares upon 75% of the Rupee Loans being repaid.

Other terms and conditions of the aforementioned loans:

2. Rupee Term Loan from Financial institution is repayable in 80 quarterly unequal instalments commencing from July 15, 2019.
3. The Lenders, at their option, have a right to convert the whole or part of the Loan to equity, at par, in case of default in payment.
4. Coupon rate of interest varies from 13.5% to 13.75%
5. Sponsor Support undertaking from the Promoter Companies i.e. GVK PIL and GVK DPPL for infusion of equity.

13. Other non current financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Premium obligation/Negative grant to NHAI	53,998	54,351	-
Security deposits	42,241	63,169	53,839
Provision for periodic overlay	4,329	1,445	-
Unearned guarantee commission income on financial guarantees given to related parties	4,387	5,688	6,817
Retention monies	1,699	1,678	1,572
Retirement compensation payable to Airports Authority of India (AAI) under OMDA	1,806	3,340	4,768
Capital creditors	-	-	340
Others	-	72	18
	108,460	129,743	67,354

14. Long term provisions

	March 31, 2017	March 31, 2016	April 1, 2015
Provision for gratuity (refer note 31)	1,344	1,089	900
Total	1,344	1,089	900

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

15. Deferred tax liabilities (net)

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax liabilities			
Accelerated depreciation for tax purposes	61,553	54,999	42,675
Share of profit of associate	2,675	7,129	3,428
Discounting of Security Deposits	700	361	157
A	64,928	62,489	46,260
Deferred tax assets			
Retirement compensation payable to AAI	1,166	1,660	1,521
Gratuity	1,403	1,194	1,033
Provision for doubtful debts	263	263	224
Carried forward losses including current year	39,111	27,819	14,574
Others	2,973	1,994	973
MAT Credit Entitlement	5,452	5,452	5,452
B	50,368	38,382	23,777
Deferred tax liabilities (net) (A-B)	14,560	24,107	22,483

16. Other non current liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred lease income pertaining to security deposits from concessionaires	32,613	21,258	16,802
Deferred Income pertaining to Airport assets (Government Grant)	45,316	47,654	55,445
Advance from customers	1,089	-	-
Others	811	811	690
	79,829	69,723	72,937

Government Grant (Airport Development Fees)

	March 31, 2017	March 31, 2016
Opening Balance	68,493	78,545
Grants during the year	18,500	13,049
Less: Taken to statement of profit and loss (Refer Note 26)	(20,838)	(23,101)
Closing Balance	66,155	68,493

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current Portion	20,839	20,839	23,101
Non-current Portion	45,316	47,654	55,445
	66,155	68,493	78,546

17. Borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Secured - at amortised cost			
Rupee loan from banks	106,034	102,459	87,500
Cash credit facilities from banks repayable on demand	24,431	26,678	15,654
Loans from financial institutions	-	19,330	6,963
A	130,465	148,467	110,117
Unsecured - at amortised cost			
Interest free loans and advances from related parties repayable on demand	241	641	491
Rupee loan from banks	-	-	45,891
Loans repayable on demand (bank overdraft)	413	10,989	20,099
Cash credit from banks repayable on demand	40,261	52,704	57,990
Loans from Others	67,208	74,537	50,985
B	108,123	138,871	175,456
A+B	238,588	287,338	285,573

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Entity wise details of the borrowings are as follows:

Name of the entities	March 31, 2017	March 31, 2016	April 1, 2015
Parent Company (GVKPIL)	-	-	46,270
GVK ADL	146,295	136,836	64,955
MIAL	24,431	26,678	45,654
GVK TPL	62,673	63,371	74,999
GVKDPPL	5,183	60,120	53,391
GVK Employer welfare trust #	-	332	304
GVKOGIL #	6	-	-
GVKASPL #	-	1	-
	238,588	287,338	285,573

#.The said loans are unsecured and is repayable on demand.

GVK PIL

Name of the entities	March 31, 2017	March 31, 2016	April 1, 2015
Secured			
Rupee loan from banks	-	-	42,880
Unsecured			
Other loans repayable on demand #	-	-	3,390
	-	-	46,270

"Term loan aggregating to Rs. Nil (March 31, 2016: Rs. Nil, March 31, 2015: Rs. 42,880) carried an interest of 11.50% per annum and was secured by

- charge on loans and advances of the Company to GVKADL and also loans and advances provided by GVKADL to GVKAHPL and BAIDPL;
- exclusive charge on shares of GVKADL to the extent of two times of facility amount;
- exclusive charge on shares of GVKAHPL and BAIDPL not exceeding 30% of the shares of the Companies and the no. of shares to be pledged would be in proportion to the lenders at GVKADL;
- first pari passu charge on Himayatsagar and Paigah House property, Hyderabad;
- second pari passu charge on land of 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited;
- proportionate proceeds of liquidity event at GVKADL, GVK AHPL and BAIDPL and
- charge on shares of GVKADL, GVK AHPL and BAIDPL along with HDFC and SREI or any other future lender representing at least 61% of the paid up share capital of the Company."

GVK ADL

	March 31, 2017	March 31, 2016	April 1, 2015
Rupee loan from financial institution	-	19,330	6,963
Rupee loan from banks	106,034	68,994	-
Cash credit from banks	40,261	48,512	57,992
Total	146,295	136,836	64,955
The above amount includes			
Secured borrowings	106,034	88,324	6,963
Unsecured borrowings	40,261	48,512	57,992
Total	146,295	136,836	64,955

A. Cash credit from banks are unsecured and carry an interest rate ranging from 8.90% p.a to 10.70% p.a. and is repayable on demand.

"B. Rupee loans from banks currently carries an interest of 17% per annum and secured by

- Pledge of 84% of the equity shares of the GVK ADL held by GVK PIL, pledge of 68% and 100% of the shares held by the Company in GVK AHPL and BAIDPL respectively on a pari-passu basis along with other lenders.
- Pledge of 1,000,000 preference shares issued by the company to GVK PIL and SRIL on a pari-passu basis along with other lenders.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

- c) First pari-passu charge on land admeasuring 143 acres situated at Himayathsagar Village & Gram Panchayat, Rejendra Nagar Mandal, Ranga Reddy District ("Himayath Sagar Property") along with other lenders.
- d) First pari-passu charge on GVK Office Building comprising of land admeasuring 17,500 sq. yards and building forming part of "Paigah House" along with other lenders.
- e) Second pari-passu charge on land admeasuring 2685 acres located in Perambalur district, Tamilnadu along with other lenders.
- f) First pari-passu charge on current and non current assets of the Company, GVK AHPL and BAIDPL except for the amounts deposited in designated accounts along with other lenders."

MIAL

	March 31, 2017	March 31, 2016	April 1, 2015
Secured			
Cash credit facilities from banks repayable on demand	24,431	26,678	15,654
Unsecured			
Term loans from banks	-	-	30,000
	24,431	26,678	45,654

"Cash Credit facility and loan from banks is secured by:

- a) First pari passu charge on all the amounts lying in certain designated bank accounts of the MIAL.
- b) Charge on receivables including unbilled revenue, spares & tools and other current assets to the extent permitted under OMDA.
- c) Pledge of equity shares of the company held by the prime members (i.e. GVK Airport Holdings Pvt. Ltd., Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of the MIAL."

GVK TPL

	March 31, 2017	March 31, 2016	April 1, 2015
Secured			
Cash credit facilities from banks repayable on demand*	-	33,465	44,620
Unsecured			
Loans repayable on demand (bank overdraft)	413	10,989	20,099
Interest free loans and advances from related parties repayable on demand	62,260	18,917	10,280
	62,673	63,371	74,999

*Yes Bank Limited sanctioned loan of Rs 35,000 wide loan agreement dated February 4, 2012 and Rs 21,000 wide loan agreement dated March 29, 2012 to GVKTPL as Borrower and GVKADL was as a Co-Borrower. The loan was meant and utilized for the purpose of GVK Airport vertical and by mutual agreement and the outstanding balance of Rs 11,155 as on March 31, 2017 has been transferred from GVKTPL to the books of account of GVKADL. The company has filed an application to the bank to transfer the loan account from GVKTPL to GVKADL and same is under process with bank.

"A. Secured carried an interest rate @ 11.50% p.a.

B. Unsecured borrowings includes Overdraft from banks carries interest rate in range of 10% to 11.5% per annum

C. loan from others is interest free and repayable on demand."

GVKDPPL

	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured			
Loans repayable on demand (bank overdraft)		4,192	15,891
Interest free loans and advances from others repayable on demand	5,183	55,928	37,500
	5,183	60,120	53,391

The bank overdraft facility is unsecured and is repayable on demand. It Carries an interest ranging from 8.25% to 10.25% p.a

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

18. Trade Payables

	March 31, 2017	March 31, 2016	April 1, 2015
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	27,766	22,675	19,945
	27,766	22,675	19,945

"Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 120 day terms."

19. Other current financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Current maturities of Long term borrowings	291,388	117,933	220,608
Interest accrued and due on borrowings	18,875	17,200	2,422
Interest accrued but not due on borrowings	5,006	6,310	5,251
Unearned guarantee commission income on financial guarantees given to related parties	1,343	1,484	1,286
Security Deposit from concessionaires	14,892	1,809	6,741
Retirement compensation payable to Airports Authority of India under OMDA	1,534	1,429	1,329
Capital Creditors	18,185	36,702	44,919
Premium obligation/ Negative grant to NHAI	15,838	10,172	4,191
Re-surfacing obligation	-	-	8,165
Retention monies	895	905	1,567
Share application money due for refund	-	-	6,861
Others	8,093	2,925	4,125
	376,049	196,869	307,465

Breakup of financial liabilities carried at amortised cost

	March 31, 2017	March 31, 2016	April 1, 2015
Non current borrowings	1,051,151	1,259,157	1,072,150
Current maturities of non current borrowings	291,388	117,933	220,608
Short term borrowings	238,588	287,338	285,573
Trade Payables	27,766	22,675	19,945
Other financial liabilities	193,121	208,679	154,211
	1,802,014	1,895,782	1,752,487

20. Short term provisions

	March 31, 2017	March 31, 2016	April 1, 2015
Provision for Leave Encashment	2,645	2,341	2,143
Provision for gratuity (refer note 31)	160	133	92
	2,805	2,474	2,235

21. Other current liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Toll Fee Received in Advance	86	94	88
Advance from customers	1,424	1,261	749
Statutory remittances	4,787	2,918	787
Deferred lease income pertaining to security deposits from concessionaires	547	112	28
Deferred Income pertaining to Airport assets (Government Grant)	20,839	20,839	23,101
Other Liabilities	14,629	12,974	15,373
	42,312	38,198	40,126

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

22. Revenue from operations

	March 31, 2017	March 31, 2016
Income from Toll Operations	36,597	35,847
Aeronautical	151,105	140,385
Non-aeronautical	121,366	101,497
Cargo operations	29,898	27,225
Construction Revenue	1,592	1,819
Operation and maintenance fees	11,089	13,914
	351,647	320,687

23. Other income (net)

	March 31, 2017	March 31, 2016
Interest on		
Bank deposits	4,896	4,678
Other Interest Income	2,544	1,696
Financial assets (refer note below)	6,993	4,621
Guarantee commission	1,259	1,179
Gain on disposal of property, plant and equipment	-	1,617
Liabilities no longer required, written back	5	1,448
Income from investments	400	449
Miscellaneous income (net)	81	350
Unearned guarantee commission written back	469	-
Gain on dilution/disposal of investment in associate/joint venture	36,619	34,964
	53,266	51,002

Interest Income of Rs. 5,293 (March 31, 2016: Rs. 3,431) represents unwinding of discount on interest free security deposit which is accounted only to comply with the provisions of Ind AS. As per provisions of Operation, Management and Development Agreement (OMDA) executed between MIAL and Airports Authority of India, MIAL has to pay revenue share by way of Annual Fee on projected Revenue, to be ultimately adjusted based only on actual Revenue on quarterly basis. MIAL has been legally advised that no Annual Fee is payable on this amount, being not actual Revenue within the provisions of OMDA.

24. Employee Benefits Expense

	March 31, 2017	March 31, 2016
Salaries and wages, including bonus	18,928	15,362
Contribution to provident and other funds	634	560
Retirement and other employee benefit expense	306	277
Staff welfare expenses	251	240
	20,119	16,439

25. Finance costs

	March 31, 2017	March 31, 2016
Interest expense		
Interest expense	186,663	161,631
Other finance charges	2,374	3,445
	189,037	165,076

26. Depreciation and amortisation expense

	March 31, 2017	March 31, 2016
Depreciation of tangible assets	80,050	71,371
Amortization of intangible assets	7,662	6,646
Less: Transfer to expenditure incurred during construction period	(7)	(20)
Less: Amortization of Deferred income on Airport Assets (funded out of Government Grant-ADF)	(20,838)	(23,101)
Total	66,867	54,896

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

27. Other expenses

	March 31, 2017	March 31, 2016
Consumption of stores and spares	1,005	922
Operating and maintenance expenses	125	789
NHAI share of toll fee	3,137	4,875
Airport operator's charges	883	882
Rent	949	1,081
Insurance	487	550
Re-surfacing obligation	2,711	7,831
Repairs and maintenance		
- Buildings	2,466	1,680
- Roads	647	522
- Plant and machinery	7,187	5,568
- Others	777	781
Power and fuel	9,521	9,933
Travel and conveyance	2,146	2,091
Communication	231	202
Printing and stationery	49	44
Advertisement	866	715
Legal and professional charges	16,155	10,450
Auditor's remuneration (refer note below)	20	19
Directors' sitting fee	31	28
Expenses for manpower services	150	137
Donation	169	20
Loss on disposal / write off of assets	5,053	13,294
Provision for doubtful debts	-	100
Contract services	15,614	12,428
Construction Costs	1,362	1,819
Miscellaneous expenses	2,887	2,327
Fair value loss on investments	22,498	1,421
	97,126	80,509

Includes write off of capital work in progress including expenditure incurred during construction period in GHPPL, GVKOGL, GVKSDPEL and MIAL to an extent of Rs. 4,847 (March 31, 2016: Rs. Nil), Rs. Nil (March 31, 2016: Rs. 10,595) Rs. Nil (March 31, 2016: Rs. 1,108), Rs. Nil (March 31, 2016: Rs. 1,354).

ii) Auditors' remuneration(net of service tax) comprises of:

	March 31, 2017	March 31, 2016
As Auditor:		
Audit Fee	13	13
Limited review	5	5
In other capacity:		
Other services	1	-
Reimbursement of expenses	1	1
Total	20	19

28. Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2017 and for the year ended March 31, 2016 are as follows:

Profit or loss section

Particulars	March 31, 2017	March 31, 2016
Current tax	17,144	6,650
Deferred tax	(11,417)	1,344
Total income tax expense recognised in statement of Profit & Loss	5,727	7,994

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

(b) Reconciliation of effective tax rate:

Particulars	March 31, 2017	March 31, 2016
Loss before tax (A)	(128,636)	(60,725)
Enacted tax rates in India (B)	34.608%	34.608%
Computed expected tax expenses (C = A*B)	(44,518)	(21,016)
Deferred tax asset not recognised on share of loss from Joint Venture	22,754	9,377
Deferred tax asset not recognised on Losses	9,359	6,516
Income from sale of Investment taxed at different rates	(3,188)	(6,301)
Effect of non-deductible expenses	23,750	25,606
Effect of non-taxable incomes	(979)	(428)
Effect of items taxed at a lower rate/ exempted income	(1,283)	(5,703)
Others	(167)	(57)
Net current tax expense recognised in statement of Profit & Loss	5,727	7,994

29. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares, if any.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2017	March 31, 2016
Loss after taxation considered for calculation of basic and diluted earnings per share	(130,228)	(64,680)
Weighted average number of equity shares considered for calculation of basic and diluted EPS	1,579,210,400	1,579,210,400
Earnings per share		
- Basic and diluted	(8.25)	(4.10)

30. Assets classified as held for sale

MIAL has set up a joint venture company, Mumbai Aviation Fuel Farm Facility Limited (MAFFFL) along with 3 other oil companies to provide common fuel hydrant infrastructure (fuel farm facility) for aircraft fuelling services. As per shareholder's agreement and transfer deed between MIAL and MAFFFL, MIAL has to transfer existing fuel farm facility along with civil infrastructure under construction/erection to MAFFFL. MIAL had already transferred certain portion of fuel farm facility and distribution infrastructure to MAFFFL in earlier years. The facilities under construction/erection were transferred during financial year 2016-17 and are disclosed as assets held for sale as at March 31, 2016.

31. Employee benefits

(a) Defined Contribution Plans

- Provident Fund/ Employees' Pension Fund
- Employees' State Insurance

The Company has recognised following amounts as Expense in the Statement of Profit and Loss:

Particulars	March 31, 2017	March 31, 2016
Included in Contribution to Provident and Other Funds		
Employer's Contribution to Provident Fund	618	543
Included in Staff Welfare Expenses		
Premium paid in respect of Employees' State Insurance	4	4

(b) Defined Benefit Plans

- Gratuity : (Employee Benefits Expenses)

The Group operates one defined plan, viz., gratuity, for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on retirement or termination at 15 days of last drawn salary for each completed year of service. The scheme is funded for all significant subsidiaries except for MIAL.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

b. Compensated Absences : (Included as part of Salaries and Wages in Note 24 - Employee Benefits Expenses)

Compensated benefits is payable to all the eligible employees of the Company on any type of separation from the Company on the leave balance as per the Company Rules subject to a maximum of 120 days. Benefits would be paid at the time of separation based on last drawn basic salary.

Changes in the present value of the defined benefit obligation are, as follows :

Particulars	Gratuity	
	March 31, 2017	March 31, 2016
I Change in present value of defined benefit obligation during the year		
1. Present Value of defined benefit obligation at the beginning of the year	1,318	1,067
2. Interest cost	96	81
3. Current service cost	218	203
4. Benefits paid directly by employer	(191)	(65)
5. Actuarial changes arising from changes in financial assumptions	101	(24)
6. Actuarial changes arising from changes in experience adjustments	68	56
7. Present Value of defined benefit obligation at the end of the year	1,610	1,318
II.Changes in fair value of plan assets	31-Mar-17	31-Mar-16
Opening fair value of plan assets	96	84
Expected return	8	7
Return on plan assets, excluding amounts included in interest expense/(income)	-	1
Contributions by employer	2	7
Benefits paid	-	(3)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	106	96
III Net (asset) / liability recognised in the balance sheet	31-Mar-17	31-Mar-16
1. Present Value of defined benefit obligation at the end of the year	1,610	1,318
2. Fair value of Plan Assets	106	96
3. Net (liability)/ asset- recognised in the balance sheet	1,504	1,222
4. Net (liability)/ asset- Current	160	133
5. Net (liability)/ asset- Non-current	1,344	1,089
IV Expenses recognised in the statement of profit and loss for the year	31-Mar-17	31-Mar-16
1. Current service cost	218	203
2. Past Service cost	-	-
3. Expected return on plan assets	(8)	(7)
4. Interest cost on benefit obligation (Net)	96	81
5. Total expenses included in employee benefits expense	306	277
V Recognised in other comprehensive income for the year	31-Mar-17	31-Mar-16
1. Actuarial changes arising from changes in financial assumptions	101	(24)
2. Actuarial changes arising from changes in experience adjustments	68	56
Return on plan assets, excluding amounts included in interest expense/(income)	-	1
3. Recognised in other comprehensive income	169	33
VI Maturity profile of defined benefit obligation	31-Mar-17	31-Mar-16
1. Within the next 12 months (next annual reporting period)	167	161
2. Between 2 and 5 years	419	360
3. Between 6 and 10 years	536	414
4. Beyond 10 years	2,646	2,211
The weighted average duration to the payment of these cash flows is 9.62 years (31 March 2016: 9.45 years).		

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

VII Quantitative sensitivity analysis for significant assumption is as below:		
	Gratuity	
	31-Mar-17	31-Mar-16
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(10.78)	(8.03)
- 1% decrease	12.61	9.39
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	10.99	8.89
- 1% decrease	(9.74)	(7.94)
(c) Effect of 1% change in assumed employee attrition rate		
- 1% increase	0.28	0.40
- 1% decrease	(0.32)	(0.48)
VIII Actuarial assumptions	31-Mar-17	31-Mar-16
1. Discount rate	7.2% to 7.8%	7.80%
2. Salary escalation	7 % to 10 %	7 % to 10 %
3. Mortality rate during employment	Indian Assured lives Mortality (2006-08) Ult table	Indian Assured lives Mortality (2006-08) Ult table

Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

32. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Judgements

In the process of applying the Group's accounting policies, management has made the following Judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

Lease commitments - the Company as lessee

The Group has entered into lease for office premises. The Group has determined, based on an evaluation of the terms and condition of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises and the fair value of the asset, that it does not retain significant risk and rewards of the office premise and accounts for the contracts as operating lease.

i) Provisions and Contingency

The contingencies and commitments are discussed in more details in note 37 and 38. It is not practical to state the timing of the judgement and final outcome. The management has assessed the probable unfavourable outcomes and creates provisions where necessary, where these are assessed as not probable. These are disclosed as contingent liability.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

ii) Non-Applicability of Service Concession Arrangement Accounting in MIAL

Appendix A of Ind AS 11 "Service Concession Arrangements" applies to public-to-private service concession arrangements if certain conditions as provided in clause 5 are fulfilled namely that the Grantor Controls or Regulates What services the operator must provide, to whom and what prices. Further, the grantor must control through ownership, beneficial entitlement or otherwise any significant residual interest in Infrastructure at the end of Concession arrangement

Application Guidance on Appendix A clarifies applicability of Appendix A under AG7 sub-clause (b), where it provides for situations where the use of Infrastructure is partly regulated and partly unregulated. It states that for applying control test when purely ancillary activities are unregulated, the control test shall be applied as if those services did not exist

MIAL business activities and operations are governed by Operations, Managements & Development Agreement (OMDA) under an initial Concession term effective from 3rd May, 2006 for 30 years which is extendable by another 30 years. The Management of Company has conducted a detailed analysis to determine the applicability of Ind AS in light of the following:

- The Company uses a common infrastructure in generating both Aeronautical and Non-Aeronautical revenue and the Infrastructure assets are inseparable and not capable of operating Independently;
- Aeronautical services are regulated while there is no control over determination of prices for non-aeronautical services. Charges of Non-Aeronautical services are determined at the sole discretion of MIAL and regulator does not decide and control the prices of non-aeronautical services.
- The non-aeronautical revenue is not ancillary revenue and is significant to the overall revenue of MIAL.

Hence the Management of MIAL has concluded that accounting as per Appendix A of Ind AS 11 "Service Concession Arrangement" is not applicable to MIAL.

iii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. As assessed, there is reasonable certainty of utilising losses and accordingly deferred tax asset of Rs. 39,111 has been recognised by certain components of the group. Group has Minimum Alternate Credit (MAT) of Rs. 17,229 as at the reporting date which can be utilised for a period of 10 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, Group has assessed that the entire MAT credit can be utilised.

iv) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 31.

v) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

vi) Impairment of financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities disclosed in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/judgements about these factors could affect the reported fair value of financial instruments. The Group has considered Weighted Average Cost of Capital (WACC) rate of respective periods in which transaction had occurred for measuring deposit, being financial liabilities, at amortised cost.

viii) Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

ix) Lease commitments - the Company as lessee

The Group has entered into lease for office premises. The Group has determined, based on an evaluation of the terms and condition of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises and the fair value of the asset, that it does not retain significant risk and rewards of the office premise and accounts for the contracts as operating lease.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

33. Group Information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries, associates and jointly controlled entities (JCE) listed in the table below:

Name	Nature of interest	Country of incorporation	% effective equity interest		
			March 31, 2017	March 31, 2016	April 1, 2015
GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India	100%	100%	100%
GVK Energy Ventures Private Limited (GVKEVPL)	Subsidiary	India	100%	100%	100%
GVK Ratle Hydro Electric Project Private Limited (GVKRHEPL)	Subsidiary	India	100%	100%	100%
GVK Bagodara Vasad Expressway Private Limited (GVKBVE-PL)	Subsidiary	India	100%	100%	100%
GVK Oil & Gas Limited (GVKOGIL)	Subsidiary	India	100%	100%	100%
GVK Perambalur SEZ Private Limited (GVKPSPL)	Subsidiary	India	100%	100%	100%
Goriganga Hydro Power Private Limited (GHPPL)	Subsidiary	India	100%	100%	100%
GVK Airport Services Private Limited (GVKASPL)(w.e.f, May 15,2015)	Subsidiary	India	100%	100%	-
GVK Transportation Private Limited (GVKTPL)	Subsidiary	India	100%	100%	100%
GVK Jaipur Expressway Private Limited (GJEPL)	Subsidiary	India	100%	100%	100%
Sutara Roads & Infra Limited (SRIL) (w.e.f, May 26,2015)	Subsidiary	India	100%	100%	-
GVK Deoli Kota Expressway Private Limited (GVKDKEPL)	Subsidiary	India	100%	100%	100%
GVK Shivpuri Dewas Expressway Private Limited (GVKSDE-PL)	Subsidiary	India	100%	100%	100%
GVK Energy Limited (GVKEL)	JCE	India	62.80%	62.80%	73.94%
GVK Industries Limited (GVKIL)	Subsidiary of JCE	India	62.80%	62.80%	73.94%
GVK Gauthami Power Limited (GVKGPL)	JCE of JCE	India	39.94%	39.94%	47.02%
Alaknanda Hydro Power Company Limited (AHPCL)	Subsidiary of JCE	India	62.80%	62.80%	73.94%
GVK Power (Goindwal Sahib) Limited (GVKPGSL)	Subsidiary of JCE	India	62.80%	62.80%	73.94%
GVK Coal (Tokisud) Company Private Limited (GVKCCPL)	Subsidiary of JCE	India	62.80%	62.80%	73.94%
GVK Power (Khadur Sahib) Private Limited (GVKPKSPL)	Subsidiary of JCE	India	62.80%	62.80%	73.94%
Seregarha Mines Limited(SML)	Associate of JCE	India	29.87%	29.87%	32.87%
GVK Airport Developers Limited (GVKADL)	Subsidiary	India	100%	100%	100%
GVK Airport Holdings Private Limited (GVKAHPL)	Subsidiary	India	100%	100%	100%
Mumbai International Airport Private Limited (MIAL)	Subsidiary	India	50.5%	50.5%	50.5%
Navi Mumbai Airport Developers Private Limited (NMADPL)	Subsidiary	India	50.5%	50.5%	50.5%
Mumbai Airport Habitation Private Limited (MAHPL)	Subsidiary	India	0%	50.5%	50.5%
Mumbai Aerotropolis Private Limited (MAPL)	Subsidiary	India	0%	50.5%	50.5%
Mumbai Airport Meet and Assist Services Private Limited (MAMSPL)	Subsidiary	India	0%	50.5%	50.5%
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFF-PL)	JCE	India	12.63%	12.63%	12.63%
Bangalore Airport & Infrastructure Developers Private Limited (BAIDPL)	Subsidiary	India	100%	100%	100%
Bangalore International Airport Limited (BIAL)	Associate	India	10%	43%	43%
Bangalore Airport Hotel Limited (BAHL)	Associate	India	10%	43%	43%
GVK Airport International Pte limited (GVKAIPL)	Subsidiary	Singapore	100%	100%	100%
PT GVK Indonesia (PTGVKS)	Subsidiary	Indonesia	97%	97%	97%

*JCE refers to Joint Venture

Notes to the consolidated financial statements for the year ended March 31, 2017

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34. Interest in joint venture

A. MAFFPL

The Holding Company, through MIAL has a 25% interest in MAFFPL, a joint venture with the object to create, establish, design, construct, develop, upgrade, modernize, integrate, optimize and modify, operate fuelling facilities for the Chhatrapati Shivaji International Airport (CSIA), Mumbai, including upgrading of existing facilities and development of new facilities at the airport as well to operate, manage and to provide services (including Into-Plane Services) in relation to, the Fuelling Facilities for the CSIA, Mumbai by itself or through or in association with, other parties in India. The Group's interest in MAFFPL is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	March 31, 2017	March 31, 2016	April 1, 2015
Current assets, including cash and cash equivalents Rs. 69 (March 31, 2016: Rs. 3,290, 1 April 2015: Rs. 118) and prepayments Rs. 67 (March 31, 2016: Rs. 45, April 01, 2015: Rs. 50)	4,651	3,500	2,015
Non-current assets	32,597	33,206	25,845
Current liabilities	(2,616)	(2,869)	(27,311)
Non-current liabilities, including deferred tax liabilities Rs. 203 (March 31, 2016: Rs. 301, April 01, 2015: Nil)	(16,058)	(17,922)	(0)
Equity	18,574	15,915	550
Proportion of the Group's ownership	25%	25%	25%
Group's ownership in equity	4,644	3,979	137
Less: Inter Company profit elimination	(413)	(403)	(961)
Carrying amount of the investment	4,231	3,576	-*
Reconciliation of carrying amounts			
Group's share in net assets	3,576	3,979	137
Add: Share in Profit of JV	665	-	-
Less: Inter Company profit elimination	(10)	(403)	(961)
Net Share	4,231	3,576	(824)
Carrying amount of the investment	4,231	3,576	-*

* The Holding Company has not incurred any legal or constructive obligation or made payments on behalf of joint venture. Therefore, investment value in joint venture has been reduced to zero as at transition date without recognising additional losses on account of inter company profit elimination amounting to Rs.824.

Summarised statement of profit and loss of the MAFFPL

Particulars	March 31, 2017	March 31, 2016
Revenue	11,955	11,212
Other Income	805	295
Fuel farm and ITP operating expenses	(1,835)	(2,072)
Depreciation & amortization	(4,024)	(3,839)
Finance cost	(1,544)	(1,434)
Employee benefit	(164)	(175)
Other expense	(807)	(1,232)
Profit before tax	4,387	2,756
Income tax expense	1,729	898
Profit for the year (continuing operations)	2,658	1,858
Total comprehensive income for the year (continuing operations)	2,658	1,858
Group's share of profit for the year	665	464

The group had no contingent liabilities or capital commitments relating to its interest in MAFFPL as at March 31, 2017 and 2016 and April 01, 2015. MAFFPL cannot distribute its profits until it obtains the consent from the other venture partners.

B. GVKEL

The Holding Company, has a 62.8% interest in GVKEL, a joint venture with the object to provide operation and maintenance services to the owners of the power plants and also acquire ownership in power generating assets. GVKEL through its

Notes to the consolidated financial statements for the year ended March 31, 2017

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subsidiaries is engaged in the business of construction of power plants, generation of power and exploration of Coal. The Group's interest in GVKEL is accounted for using the equity method in the consolidated financial statements.

The Group has sold assets in GVK Industries Limited ('GVKIL'), a subsidiary company of GVK Energy Limited ('GVKEL'), a jointly controlled entity, for a value of Rs. 26,127 lakhs to AP Transco on exercise of buyout option as per power purchase agreement. During the year, the Group has recorded profit of Rs. 9,743 lakhs on such sale.

The Group's stake in GVKEL had come down in the previous year from 73.94% to 62.80% on conversion of securities into equity shares. On such deemed dilution the Group has recorded a gain of Rs. 34,964 lakhs for the year ended March 31, 2016. Based on the rights available to the investors, the Management has considered GVKEL as jointly controlled entity under IND - AS 28 "Investment in associate and joint venture".

Summarised financial information of the joint venture based on its Ind AS financial statements is set out below:

	March 31, 2017	March 31, 2016	April 1, 2015
Current and non current assets, including cash and cash equivalents Rs. 17,682 (March 31, 2016: Rs. 1,222; April 01, 2015: Rs. 2,808).	1,089,322	1,162,596	1,106,435
Current and non-current liabilities	(1,004,357)	(972,611)	(872,860)
Equity	84,965	189,985	233,575
Proportion of the Group's ownership			
Carrying amount of the investment	62.80%	62.80%	73.94%
	53,358	119,311	172,705

Group's ownership in equity is different than carrying value of investment in joint venture due to capital reserve on acquisition and consolidation adjustments.

Summarised statement of profit and loss of the GVKEL

Particulars	March 31, 2017	March 31, 2016
Revenue	76,764	86,852
Other Income	17,417	1,107
Cost of Fuel	(10,091)	(26,007)
Depreciation & amortization	(47,835)	(22,912)
Finance cost	(120,386)	(61,200)
Employee benefit	(2,849)	(1,651)
Other expense	(15,070)	(7,487)
Profit before tax	(102,050)	(31,298)
Share of profit from joint venture of GVK EL	(2,266)	(13,944)
Income tax expense	(572)	1,651
Profit for the year	(104,888)	(43,591)
Other Comprehensive Income	-	3
Total comprehensive income for the year	(104,888)	(43,588)
Proportion of the Group's owner ship	62.80%	62.80%
Group's share of loss for the year before inter company elimination	(65,870)	(27,373)
Less: Inter company elimination	(121)	(80)
Group's share of loss for the year	(65,749)	(27,293)

Refer note 37 and 38 for the details of contingent liabilities and capital commitments relating to its interest in GVKEL as at March 31, 2017, March 31, 2016 and April 01, 2015 GVKEL cannot distribute its profits until it obtains the consent from the other venture partners.

35. Investment in an associate

The Group has 10% Interest in BIAL which together with its subsidiary BAHIL is into designing, financing, construction, operation and maintenance of an international airport and Hotel at Bengaluru.

During the year, the Group has divested 33% of its stake in BIAL, to Fairfax India Holdings Corporation ('Fairfax') for an aggregate amount of Rs 220,200 lakhs and accordingly accounted for profit amounting to Rs. 36,619 lakhs. The Group's stake in BIAL has come down to 10% on divestment of the aforesaid stake. However pursuant to agreement with Fairfax the Group has power to appoint two directors on the board of BIAL one of whom shall be a Managing Director. Thereby Management

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

believes, it continues to have significant influence over BIAL even after stake sale and hence it is treated as an associate under IND - AS 28 "Investment in associate and joint venture".

Summarised financial information of the associate based on its Ind AS financial statements is set out below:

	March 31, 2017	March 31, 2016	April 1, 2015
Current assets including cash and cash equivalents Rs. 13,229 (March 31, 2016: Rs. 27,062; April 01, 2015: Rs. 18,626)	73,485	48,229	36,080
Non-current assets	417,865	347,589	339,279
Current liabilities	(38,736)	(52,774)	(52,283)
Non-current liabilities	(282,947)	(223,220)	(245,446)
Equity	169,667	119,824	77,630
Proportion of the Group's ownership	10%	43%	43%
Group's ownership in equity	16,967	51,524	33,381

Group's ownership in equity is different than carrying value of investment in associate due to goodwill on acquisition and consolidation adjustments.

Particulars	March 31, 2017	March 31, 2016
Revenue	135,775	113,553
Other Income	3,072	3,006
Food and Beverages Consumed	(291)	-
Employee benefits expense	(12,413)	(10,955)
Finance costs	(19,008)	(18,618)
Depreciation and amortisation expense	(23,020)	(20,690)
Other expenses	(27,905)	(22,442)
Profit before income tax	56,210	43,854
Income tax expense	(1,645)	(1,504)
Profit for the year	54,565	42,350
Other comprehensive income for the year, net of income tax	(113)	(84)
Total comprehensive income for the year	54,452	42,266
Group's share of profit for the year	23,414	18,173

Refer note 37 and 38 for the details of contingent liabilities and capital commitments relating to its interest in BIAL as at March 31, 2017 and March 31, 2016. BIAL cannot distribute its profits until it obtains the consent from the other venture partners.

36. Segment Reporting

For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Power segment, which is engaged in the construction and operation of power plants.
- Roads segment, which is engaged in the construction and operation of highway projects.
- Airport segment, which is engaged in the construction and operation of domestic and international airports.
- Other segments, which is engaged in exploration of oil and gas, SEZ and other investments

The Board of directors of GVK Power & Infrastructure Limited monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements

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Year ended March 2017

Particulars	Power	Roads	Airports	Others	Unallocat- ed	Total seg- ments	Elimina- tions	Consoli- dated
Revenue								
External customers	-	37,959	312,127	1,561	-	351,647	-	351,647
Inter Segment	-	-	-	1,255	-	1,255	(1,255)	-
Total Revenue	-	37,959	312,127	2,816	-	352,902	(1,255)	351,647
Income/(expenses)								
Depreciation and amortization	12	7,699	59,143	13	-	66,867	-	66,867
Share of profit of an associate and a joint venture.(note 34 and 35)	(65,749)	-	24,119	-	-	(41,630)	-	(41,630)
Segment profit	(65,942)	20,484	45,957	(26,848)	(102,287)	(128,636)	-	(128,636)
Total assets	127,458	266,919	1,300,331	18,702	349,713	2,063,123	-	2,063,123
Total liabilities	4,081	93,448	227,025	9,325	1,618,363	1,952,242	-	1,952,242
Other Disclosures								
Investment in associate and a joint venture (notes 34 and 35)	55,936	-	58,199	-	-	114,135	-	114,135
Capital Expenditure	184	7,412	44,864	-	-	52,460		52,460

Year ended March 2016

Particulars	Power	Roads	Airports	Others	Unallocat- ed	Total seg- ments	Elimina- tions	Consoli- dated
Revenue								
External customers	-	37,666	281,557	1,464	-	320,687	-	320,687
Inter Segment	-	-	-	1,254	-	1,254	(1,254)	-
Total Revenue	-	37,666	281,557	2,718	-	321,941	(1,254)	320,687
Income/(expenses)								
Depreciation and amortization	14	6,701	48,165	15	-	54,896	-	54,896
Share of profit of an associate and a joint venture.(note 34 and 35)	(27,293)	-	18,405		-	(8,888)	-	(8,888)
Segment profit	(27,297)	13,699	66,880	(9,967)	(104,040)	(60,725)	-	(60,725)
Total assets	131,824	267,813	1,250,609	11,880	577,841	2,239,967	-	2,239,967
Total liabilities	1,613	88,528	233,728	1,235	1,714,223	2,039,327	-	2,039,327
Other Disclosures								
Investment in associate and a joint venture (notes 34 and 35)	121,685	-	219,335	-	-	341,020	-	341,020
Capital Expenditure	6,157	77,951	84,455	11	-	168,574	-	168,574

Particulars	March 31, 2017			March 31, 2016		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	9,529	342,118	351,647	12,158	308,529	320,687
Non-current operating assets	10	1,641,021	1,641,031	4	1,681,618	1,681,622

37. Contingent Liabilities

A) Parent Company

1. Direct and Indirect Taxes

a) Income tax demand for assessment year 2008-09 for Rs. Nil (March 31, 2016: Rs. 73; April 01, 2015: Rs. 73), for assessment year 2009-10 Rs. 10 (March 31, 2016: Rs. 10; April 01, 2015: Rs. 10), for assessment year 2010-11 for Rs. 279 (March 31, 2016: Rs. 279; April 01, 2015: Rs. 279), for assessment year 2011-12 for Rs. 11 (March 31, 2016: Rs. 11; April 01, 2015 : Rs. 11) and for assessment year 2012-13 Rs. 44 (March 31, 2016: Rs. 44; April 01, 2015: Rs. 44).

b) The Company had received a notice dated February 04, 2008 from the Office of the District Registrar of Assurances, Hyderabad demanding payment of stamp duties of Rs. 2,829 on transfer of shares to the shareholders of GVKIL vide the

Notes to the consolidated financial statements for the year ended March 31, 2017

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scheme of arrangement approved by the Andhra Pradesh High Court. The Company has obtained an order from the Andhra Pradesh High Court staying the above notice on March 13, 2008 until such further orders from the said court.

Management based on its internal assessment and/or legal advice is confident that the cases will be decided in the Company's favour.

2. Security against loan taken by others

- (i) The Company had provided security by way of pledge of 230,960,770 (March 31, 2016: 230,960,770; April 01, 2015: 87,910,588) shares of GVKEL for loans taken by the aforesaid jointly controlled entity.
- (ii) The Company has provided security by way of corporate guarantees amounting to Rs. 1,441 to an associate (March 31, 2016: Rs. 1,441; April 01, 2015: Rs. 1,441) for various fund and nonfund based facility availed by them.
- (iii) The Company has provided security by way of corporate guarantees amounting to Rs. Nil (March 31, 2016: Rs. 2,006; April 01, 2015: Rs. 3,941) for securing loans obtained by GVK Projects and Technical Services Limited.
- (iv) The Company has provided security by way of guarantee amounting to Rs. 368,534 (March 31, 2016: Rs. 377,027; April 01, 2015: Rs. 320,189) for securing loans obtained by GVK Coal Developers (Singapore) Pte Limited.

Management is of the opinion that the aforesaid companies will be able to meet their obligations as they arise and consequently no adjustment is required to be made to the carrying value of the security and guarantees provided.

B) Subsidiary companies

I. GVKADL

- a) The subsidiary company has pledged 79,999,968 shares of GVKAHPL (March 31, 2016: Nil, April 01, 2015: Nil) for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an entity in which GVKPIL has 10% stake.

Management is of the opinion that the aforesaid company will be able to meet its obligation as they arise and consequently no adjustment is required to be made to the carrying value of the security.

II. MIAL

A) Claims against the Group not acknowledged as debts:

- i) Income tax amounting to Rs. 12,837 (March 31, 2016: Rs. 12,837, April 01, 2015: 5,764) demanded by the concerned authorities in respect of expense disallowed for various assessment years starting from AY 2008-09 up to AY 2013-14 against which MIAL has filed an appeal with the Hon'ble ITAT/CIT(Appeals), Mumbai, which are pending as of date.
- ii) Service Tax amounting to Rs. Nil (March 31, 2016: Rs. 13,923, April 01, 2015: 13,923) demanded by the concerned authorities under Section 73, 76, 77, 78 of the Finance Act, 1994 on development fee considered not payable as per the advise received by MIAL. Of this Rs. Nil (March 31, 2016: Rs. 2,959, April 01, 2015: 2,959) was paid under protest.
- iii) Claims for utilization of Cenvat Credit in relation to construction activities amounting to Rs 3,680 (March 31, 2016: Rs 3,680; April 01, 2015: Rs. 3,680) contested by MIAL on the grounds that the restriction of utilization of Cenvat Credit are not applicable to Airport Services as defined under clause (zzm) of Section 65 (105) of the Finance Act, 1994.
- iv) The Ministry of Civil Aviation issued an Order No. AV. 13024/03/2011-AS dated February 18, 2014 regarding expenditure out of Passenger Service Fee (Security Component) [PSF (SC)] wherein all airport operators were directed to reverse/reimburse back to the PSF(SC) the total amount spent on capital costs/expenditure towards procurement and maintenance of security system/equipment and on creation of fixed assets out of PSF(SC). Up to March 31, 2017 the funds spent on such expenditure by the MIAL is Rs. 33,670 (March 31, 2016: Rs. 33,440, April 01, 2015: 32,617). MIAL has challenged the said order before the Hon'ble Bombay High Court by way of writ petition. The Hon'ble Bombay High Court vide its order dated April 17, 2014, has stayed the recovery against MIAL. Based on an internal assessment and aforesaid order of Hon'ble Bombay High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.
- v) Other claims from Airports Authority of India of Rs. 11,434 (March 31, 2016: Rs. 10,367, April 01, 2015: 6,215) and from Customer and Others Rs. 569 (March 31, 2016: Rs. 220 Lakhs, April 01, 2015: 248) respectively.

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- B) MIAL had awarded a contract to Housing Development and Infrastructure Ltd (HDIL) to undertake activities relating to rehabilitation of slum dwellers and restoration of airport land. Due to non-performance of the contract by HDIL, MIAL had encashed the bank guarantee of Rs. 2,500 provided by HDIL to MIAL under the contract. Thereafter, MIAL terminated the agreement. Post termination of the agreement, HDIL moved an application under section 9 of The Arbitration and Conciliation Act, 1996 before the Hon'ble Bombay High Court seeking certain reliefs which were rejected by the Learned Single Judge. Similarly HDIL's appeals were also dismissed by the Learned Division Bench of the Hon'ble Bombay High Court and Hon'ble Supreme Court. Meanwhile, HDIL invoked the arbitration clause of the agreement and both MIAL and HDIL nominated their respective arbitrators who in turn nominated the presiding arbitrator and thus, the arbitral tribunal was constituted. The Tribunal observed that this is a fit case to be mutually settled and that the Parties may explore settling their disputes. In deference to the above observation of the Arbitral Tribunal and considering that considerable time has elapsed from the time the present proceedings commenced, both the Parties held discussions on various issues to put an end to the present disputes in Arbitration and arrive at an amicable settlement by way of a settlement agreement. A Settlement Agreement between the parties was signed on 8th September, 2016. In the Settlement Agreement signed between HDIL and MIAL, the Parties agreed to irrevocably and unconditionally withdraw all their claims and counter-claims respectively against each other in the said arbitration proceedings. The Settlement Agreement was placed before the Arbitral Tribunal on 19th September, 2016 which, after due consideration of the terms therein and in larger public interest, vide its Award dated 19th September, 2016 allowed the settlement and held that the disputes in arbitration between MIAL and HDIL as settled in terms of the Settlement Agreement.
- C) MIAL is a party to various land litigations with respect to the land demised to it pursuant to entering into OMDA and Lease Deed with AAI. Based on the internal legal assessment, the management is confident that these litigations would not result into any liability to the MIAL and as such no provision has been made in these financial statements.
- D) MIAL has received demand notice from Tahsildar (Andheri) of Rs. 14,413 for arrears Non agriculture tax which is increased retrospectively from August 01, 2006. MIAL has represented to Tahsildar (Andheri) and Collector (Mumbai Sub-urban) against such demand and the Collector has directed Tahsildar(Andheri) to follow Revenue Minister's stay orders of August 2011 till a new policy is decided.
- E) In MIAL, there is a disputed interest on term loan Rs. 200 (March 31, 2016: Rs. 382)
- F) As MIAL is making losses, it has sought approval of the Ministry of Corporate Affairs pursuant to Section 197 of the Companies Act, 2013 (Act), for payment of managerial remuneration to the executive chairman and managing director for an aggregate amount of Rs. 1,303 for the financial year 2016-17. Pending receipt of the said approval, MIAL has paid only the minimum remuneration as per the provisions of section 197 read with schedule V to the Act and as such provision has not been made in the financial statements for the balance amount of Rs. 736.

III. GJEPL

	March 31, 2017	March 31, 2016	April 01, 2015
On account of guarantees issued by banks	925	1,000	1,000
Disputed income tax demands*	3,909	67	72
Interest debited by lenders not acknowledged as debt*	15	3	-
Entry tax*	39	39	-

*Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

IV. GVKDEPL

During the year FY 2011-12, GVKDEPL has received a demand from National Highways Authority of India (NHAI) for taking any other action or measures including recovering from escrow account Rs.157 (March 31, 2016: Rs. 157, April 01, 2015: Rs. 157) for alleged delay of 53 days in achieving financial closure, purportedly in terms of provisions of Article 24.1.1 of the concession agreement dated 17th May, 2010. GVKDEPL has contested the claim on the grounds that the financing arrangement had to be executed and funds had to be placed for financial close, and that this was achieved by the company

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

without delay and by fulfilling its obligations under the said concession agreement in a timely manner. GVKDKEPL thereafter approached the Hon'ble High Court at Delhi in April, 2013 under the Arbitration and Conciliation Act, 1996 with an application seeking to restrain NHAI from recovering the said amount including from the escrow account. The Hon'ble High Court vide its Order dated 23.05.2013 has granted injunctive relief by directing NHAI to maintain status quo with respect to its said demand. The said Order has been extended from time to time and the same is subsisting as of the date of this Balance Sheet. The matter is presently sub-judice and pending resolution with NHAI. Management based on its internal assessment is confident that the matter will be decided in the subsidiary company's favour.

IV. GVKSDEPL

	March 31, 2017	March 31, 2016	April 01, 2015
On account of guarantees issued by banks*	2,815	2,815	14,075

*The subsidiary company has filed an application before the Honourable Delhi High Court, praying for relief from possible invocation of the performance security by NHAI and the Honourable Delhi High Court has granted interim injunction against invocation and encashment of performance security and referred the matter for Arbitration under the provisions of the concession agreement. The proceedings before the Arbitral Tribunal are in progress. The interim orders of the Honourable High Court of Delhi to maintain status quo on the performance security is in force as on the date of the balance sheet. As requested by NHAI, without prejudice to the pending litigation, the subsidiary company submitted a proposal to NHAI asking for various concessions and reliefs which include compensation for increase in capital cost, site mobilization cost, tolling the existing 2-lane highway during construction period, premium re-schedulement etc. if the subsidiary company were to take up the project. Pending proceedings before the Arbitration tribunal, the subsidiary company is yet to receive response from NHAI on the said proposal. NHAI has also filed its statement of defense along with counter claim of Rs.45,374 as against the Subsidiary Company's claim statement of Rs.4,551 and demand for return of performance security. The subsidiary company's application for revision of its claim statement was allowed by the Tribunal vides Order dated September 29, 2015 and accordingly the subsidiary company filed its revised claim statement totaling to Rs. 55,058. NHAI filed application expressing its intention to revise their claims against the Subsidiary Company, which is yet to be heard by the Tribunal. The subsidiary company is confident that the matter will be decided in its favour.

VI. GHPPL

The subsidiary company had filed an appeal before Honorable High court of Uttarakhand challenging a common judgment and order dated November 08, 2010 passed by Single Judge on a writ petition filed by Reliance Infrastructure Limited in awarding Hydro Electric Power Project, Mapang-Bogudiyar, in favour of GVK Group and L&T. The Honorable High Court has dismissed the petition filed by the GVK group vide its order dated April 27, 2012. The Court has however allowed recovery of the sum paid by GVK to the State of Uttarakhand and directed Reliance Infrastructure Limited to pay a sum of Rs. 1,683 lakhs to the subsidiary company after deducting Rs. 1,334 lakhs. The Subsidiary Company has preferred an appeal before the Honorable Supreme Court of India and the subsidiary company is of the view that the matter will be decided in its favour.

VII. GVKDPPL

	March 31, 2017	March 31, 2016	April 01, 2015
On account of guarantees issued by banks	5,200	5,200	5,200

VIII. GVKRHEPPL

	March 31, 2017	March 31, 2016	April 01, 2015
On account of guarantees issued by banks	98	98	98

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C) Joint Ventures(to the extent of shareholding therein)

a) GVKIL

	March 31, 2017	March 31, 2016	April 01, 2015
On account of Guarantees issued by banks	80	102	94
Service tax demand on operator of the power plant*	1,785	1,028	951
Income tax demands pending in appeals*	4,652	4,652	4,422
Claims not acknowledged as debts- electricity duty*	1,171	1,171	1,379
Refund of duty drawback under deemed export scheme*	941	941	1,108

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKIL's favour.

- (i) AP Transco has filed petition before APERC to consider interest on working capital charged by State Bank of India to its most credit worthy customers for the purpose of determining tariff for the year 2003-04. GVKIL is contesting the contention of AP Transco and is confident that the matter will be decided in its favour
- (ii) As per the terms of contract with Bharat Petroleum Corporation Limited (BPCL) for supply of Naphtha, GVKIL has to pay for 80,000 MT @ Rs. 38.45 as 'Minimum off Take charges. GVKIL is negotiating with BPCL to reduce the Minimum off Take quantity from 80,000 MT to 40,000 MT, which is under consideration by BPCL. Pending such acceptance by BPCL, no provision is made in the books for the requested reduction of 40,000 MT. The contract with BPCL expired on January 29, 2012. Liability on account of this as at March 31, 2017 is Rs.73 (March 31, 2016: Rs. 73; April 01, 2015: Rs. 87).
- (iii) AP State Load Dispatch Centre (APSLDC) has filed petitions before the Andhra Pradesh Electricity Regulatory Commission (APERC) for appointment of adjudicating officer for assessment of charges to be levied for non-adherence to backing down instructions by GVKIL, operator of the power plant of GVKIL. APSLDC has claimed an amount of Rs. 829 (March 31, 2016: Rs.829; April 01, 2015: Rs. 976) for the aforesaid non- compliance. APERC has appointed adjudicating officer to conduct an enquiry into the matter. Management based on its internal assessment is confident that the matter will be decided in GVKIL's favour.
- (iv) GVKIL approached AP Transco for new connection while constructing its new power plant upon which AP Transco raised demand of Rs. 255 (March 31, 2016: Rs.255; April 01, 2015: Rs.300) towards minimum monthly charges regarding electricity connection taken earlier which was surrendered on October 7, 1996. GVKIL filed petition before the APERC claiming levy of demand as arbitrary, which was disposed directing GVKIL to approach Consumer Grievance Redressal Cell as dispute is not in connection with power purchase agreement. GVKIL has filed a writ petition before the High Court of Andhra Pradesh contesting that the matter is within ambit of PPA. The High Court of Andhra Pradesh has issued stay on demand. Management based on its internal assessment/ legal advice is confident that the matter will be decided in GVKIL's favour.

b) AHPCL

	March 31, 2017	March 31, 2016	April 01, 2015
Disputed income tax demands (Rs. 63 paid under protest)*	116	135	144
Claims not acknowledged as debts-Royalty*	-	-	9,686

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the AHPCL's favour.

c) GVKPGSL

	March 31, 2017	March 31, 2016	April 01, 2015
On account of Guarantees issued by banks	3,448	3,448	2,995
Claims against the Company not acknowledged as debts*	2,711	2,711	1,378

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKPGSL's favour.

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d) GVKGPL

	March 31, 2017	March 31, 2016	April 01, 2015
Service Tax demand on operator of the power plant*	847	408	383
Claims not acknowledged as debts- electricity duty*	1,388	1,388	1,634
Claims against the company not acknowledged as debts*	84	84	99
Disputed income tax demands*	-	-	785

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

D) Associate Companies (to the extent of shareholding pattern)

- (a) The associate company has issued bank guarantee to Customs authorities aggregating to Rs. 137 (March 31, 2016: Rs. 587; April 01, 2015: Rs. 587) with respect to grant of project import license to extend concessional rate of duty for import of certain eligible equipment's for use in KIA terminal I expansion project.
- (b) The associate company has filed an application to get itself impleaded as one of the aggrieved party against an appeal filed by the State of Karnataka, challenging the order of the Karnataka High Court, issued in April, 2007, quashing the levy of Special Entry Tax of Rs. 21 (March 31, 2016: Rs. 92; April 01, 2015: Rs. 92).
- (c) The associate company has received demand orders from Commissioner of service tax for the periods 2005-09, 2009-10, 2010-11, October 2009 to March 2012 and October 2013 to March 2016 for payment of service tax of Rs. 36 (March 31, 2016: Rs. 137; April 01, 2015: Rs. 137) as a recipient of service towards reimbursement of salary costs to Zurich Airport. The interest and penalty as per the above demand orders till March 31, 2017 amounts to Rs. 50 (March 31, 2016: Rs. 160; April 01, 2015: Rs. 135) and Rs. 43 (March 31, 2016: Rs. 158; April 01, 2015: Rs. 151) respectively. Further, a show cause notice has been issued for period 2012-13 for a sum of Rs. 3 (March 31, 2016: Rs. 12; April 01, 2015: Rs. 12) [net of payment made amounting to Rs. 12 (March 31, 2015: Rs. 51, April 01, 2015: Rs. 51)] and April 2013 to September 2014 for a sum of Rs. 5 (March 31, 2016: Rs. 23; April 01, 2015: Rs. 23) on the same account and few other matters respectively which has been confirmed by a formal demand. These payments relate to salaries of expatriates who were seconded to the associate company. The associate company has preferred an appeal against demand orders in original before the Customs, Excise, and Service Tax Appellate Tribunal ("CESTAT") and challenged the show cause notice which is not confirmed by a formal demand as at the reporting date. During the previous year, the associate company has obtained stay orders from the CESTAT on the demand orders in original and is presently awaiting disposal on merits. The associate company has challenged the demands based on the judicial precedence on the matter and is confident of non-applicability of service tax since the payment relates to salary costs to expatriate employees of the associate company which cannot be treated as services received by the associate company. In view of the management, Zurich Airport is only a remitter of the foreign currency remuneration as is evidenced by Expatriate Remuneration Reimbursement Agreement between the associate company and Zurich Airport. The associate company has accounted these payments as salaries and discharged appropriate TDS as the economic employer of the said expatriates.
- (d) The Income Tax Department has filed an appeal in the Karnataka High Court against the Income Tax Appellate Tribunal (ITAT) order regarding the Tax Deducted at Source (TDS) on the reimbursement of development costs to overseas promoters. The associate company had earlier paid the TDS amount of Rs. 59 (March 31, 2016: Rs. 255; April 01, 2015: Rs. 255) under protest before getting the relief from ITAT. This was refunded to the associate company along with the interest of Rs. 9 (March 31, 2016: Rs. 39; April 01, 2015: Rs. 39) as a result of favourable ITAT Order. The High Court heard the case on July 01, 2014 and remanded it back to Tribunal for reconsideration. The Income Tax Tribunal resumed the case on January 7, 2015 and has posted the matter for further hearing on February 16, 2016 and dismissed appeal on technical grounds. BIAL has preferred an appeal before the High Court for relief on August 05, 2016. The case is yet to come up for hearing.
- (e) The associate company received an Income-tax assessment order for assessment year 2010-11 in March 2013 from Deputy Commissioner of Income Tax, Bangalore for the assessment year 2010-11 with a net demand of Rs. 156 (March 31, 2016: Rs. 670; April 01, 2015: Rs. 670). The associate company preferred Rectification and Appeal before Commissioner

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of Income Tax (Appeals) and successfully obtained partial relief at the appellate stage. The net demand was reduced to Rs. 27 (March 31, 2016: Rs. 114; April 01, 2015: Rs. 114) which was fully covered by the pre-deposit and refunds due to the associate company from the Department. The associate company approached the Income Tax Appellate Tribunal ("ITAT") for the balance relief and the department has also challenged the Commissioner of Income Tax (Appeals) Order. The case was adjudicated by the ITAT in October, 2016 and partial reliefs were granted and few issues were remanded to the AO for verification of facts and reconsideration. The associate company has taken up the matter with the AO and is awaiting responses. The group has also preferred an Appeal before the High Court for relief regarding depreciation on intangibles on February 22, 2017. The case is yet to be posted for hearing.

38. Capital Commitments

A) Parent Company

Other Commitments

- a) The company has given undertaking to infuse equity aggregating to Rs. 383,576 (March 31, 2016: Rs. 392,416; April 01, 2015: Rs. 333,258) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 155,587,500 (March 31, 2016: 81,148,236; April 01, 2015: 81,148,236), 22,495,000 (March 31, 2016: 22,495,000; April 01, 2015: 22,495,000) and 48,000,000 (March 31, 2016: 48,000,000; April 01, 2015: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited will be able to meet its obligations.
- b) During the year ended March 31, 2011, the Company, GVK Energy Limited (jointly controlled entity) and certain private equity investors ('investors') had entered into an investment agreement pursuant to which the Company has undertaken to conduct an initial public offering of the GVK Energy Limited's equity shares ('Qualified IPO' or 'QIPO') within 72 months from the date of investment agreement (preferred listing period). If GVK Energy Limited does not make a QIPO during the preferred listing period and no offer for sale or demerger takes place within 12 months of the preferred listing period, then, at any time thereafter, the investors will have a put option with respect to all of the securities held by the Investor ("Put Right") on the Company and GVK Energy Limited at the higher of i) 20% IRR from the date of investment to the date of receipt of proceeds from the investor ("Put IRR") and ii) the fair market value of the investor's shares. Provided the Put IRR shall be reduced to 15%, if at least 3 private sector initial public offerings with an issue size of Rs.100,000 or more each have not taken place in India between the 48th month to the 72nd month from date of investment agreement.

The Company based on legal advice believes that guaranteed return is not enforceable/subject to the regulations of Reserve Bank of India and hence no liability towards the same has been accounted in the financial statements.

B) Subsidiary companies

As at March 31, 2017 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 345,011 (March 31, 2016: Rs 352,317, April 01, 2015: 451,080).

C) Joint Ventures (to the extent of share holding therein)

As at March 31, 2017 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 266 (March 31, 2016: Rs 911, April 01, 2015: 18,560).

D) Associate (to the extent of share holding therein)

As at March 31, 2017 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs 3,217 (March 31, 2016: Rs. 24,859, April 01, 2015: 2,336).

39. Fair Values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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- The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

Financial instruments by category

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

	Carrying Values			Fair Values		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets						
At fair value through profit and loss						
Current investments	9,875	1,988	4,616	9,875	1,988	4,616
Non current investment	25	25	25	25	25	25
	9,900	2,013	4,641	9,900	2,013	4,641
At amortised cost						
Non current investment	51,671	19,764	17,036	51,671	19,764	17,036
Loans	10,775	2,486	4,052	10,775	2,486	4,052
Trade receivables	44,418	44,410	31,892	44,418	44,410	31,892
Cash and cash equivalents	85,126	79,845	121,535	85,126	79,845	121,535
Other bank balances	17,657	10,771	12,468	17,657	10,771	12,468
Other financial assets	36,564	23,530	27,700	36,564	23,530	27,700
	246,211	180,806	214,683	246,211	180,806	214,683
Financial liabilities						
At amortised cost						
Floating rate Borrowings (including current maturities)	1,556,127	1,664,428	1,578,331	1,556,127	1,664,428	1,578,331
Fixed rate Borrowings (including current maturities)	25,000	-	-	24,145	-	-
Security deposits	57,133	64,978	60,580	57,738	65,291	60,377
Retirement compensation payable to AAI	3,340	4,769	6,097	3,354	4,797	6,097
Other financial liabilities	132,648	138,932	87,534	132,648	138,932	87,534
Trade payables	27,766	22,675	19,945	27,766	22,675	19,945
	1,802,014	1,895,782	1,752,487	1,801,778	1,896,123	1,752,284

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities measured at fair value after initial recognition.

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
Fair value of financial assets disclosed					
Current investments*	31-Mar-17	9,875	9,875	-	-
Current investments*	31-Mar-16	1,988	1,988	-	-
Current investments*	01-Apr-15	4,616	4,616	-	-
Non current investment **	31-Mar-17	25	-	25	-
Non current investment **	31-Mar-16	25	-	25	-
Non current investment **	01-Apr-15	25	-	25	-

* The Company has used quoted market price for determining fair value of current investments

** The Company has determined fair value using discounted cash flow of future projection of cash flow.

There are no financial instruments which require recurring fair value measurements and are classified as Level 3 of the fair value hierarchy.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

40. Financial risk management objectives and policies

The Group is exposed to market risk (fluctuations in foreign currency exchange rates and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings and trade receivables.

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. As the Group has significant debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Group has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2017	March 31, 2016
Change in interest rate		
-increase by 50 basis points	(6,255)	(5,546)
-decrease by 50 basis points	6,255	5,546

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

Foreign Currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's investment in foreign entity, financial asset/liability in relation to foreign entity in respect of financial guarantee and trade/other payables. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group's exposure to foreign currency changes for all other currencies is not material. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Group has not entered into derivative instruments during the year.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

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Particulars	Increase/(decrease) in profit before tax	
	March 31, 2017	March 31, 2016
Change in USD		
- 5% increase	2,526	(264)
- 5% decrease	(2,526)	264

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

Price Risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of change in market prices of Investments. The Group has no exposure to the equity securities price risk and is not exposed to commodity price risk.

Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Regarding credit exposure from customers, the Group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances. The securities held by the Group are in the form of cash deposits and bank letter of guarantee.

The carrying amount of trade receivables, loans, advances, deposits, guarantee commission receivable, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

Exposure to credit risk:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. At March 31, 2017, the Group had 17 customers (March 31, 2016: 17 customers, April 01, 2015: 17 customers) that owed approximately 81% (March 31, 2016: 84%, April 01, 2015: 82%) of all the receivables outstanding.

Trade receivables, loans, advances, and guarantee commission receivable:

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group also holds deposits as security from customers to mitigate credit risk.

Liquidity Risk

Liquidity risk is the risk that the Group will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash. Cash flow forecasting is performed internally by rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and debt and to comply with loan covenants.

The Group primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short term borrowings to fund its ongoing working capital requirements and growth needs.

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(All amounts in INR lakhs, except share data and where otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2017				
Borrowings	213,400	210,542	1,157,185	1,581,127
Other financial liabilities	18,875	49,360	60,026	128,261
Trade payables	-	27,766	-	27,766
Security Deposit	-	14,892	42,241	57,133
Retirement compensation payable to Airports Authority of India under OMDA	-	1,534	1,806	3,340
Financial guarantee contracts*	369,975	-	-	369,975
	602,250	304,094	1,261,258	2,167,602
Year ended March 31, 2016				
Borrowings	245,455	71,492	1,347,481	1,664,428
Other financial liabilities	17,200	58,498	57,546	133,244
Trade payables	-	22,675	-	22,675
Security Deposit	-	1,809	63,169	64,978
Retirement compensation payable to Airports Authority of India under OMDA	-	1,429	3,340	4,769
Financial guarantee contracts*	380,474	-	-	380,474
	643,129	155,903	1,471,536	2,270,568
Year ended April 01, 2015				
Borrowings	319,467	179,751	1,079,113	1,578,331
Other financial liabilities	9,283	69,504	1,930	80,717
Trade payables	-	19,945	-	19,945
Security Deposit	-	6,741	53,839	60,580
Retirement compensation payable to Airports Authority of India under OMDA	-	1,329	4,768	6,097
Financial guarantee contracts*	325,571	-	-	325,571
	654,321	277,270	1,139,650	2,071,241

* Based on maximum amount that can be called for under the financial guarantee contract.

41. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders and non controlling interest. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and cash equivalent.

	March 31, 2017	March 31, 2016	April 01, 2015
Borrowings including interest accrued on borrowings	1,605,008	1,687,938	1,586,004
Trade payables	27,766	22,675	19,945
Other current liabilities	211,552	223,367	186,664
Less: Cash and cash equivalents (Note 9C)	(85,126)	(79,845)	(121,535)
Net debt	1,759,200	1,854,135	1,671,078
Equity	15,792	15,792	15,792
Other Equity	(45,475)	84,328	148,884
Non controlling interest	140,564	100,520	101,810
Total Equity	110,881	200,640	266,486
Gearing ratio (Net Debt/ Total Equity)	15.87	9.24	6.27

Notes to the consolidated financial statements for the year ended March 31, 2017

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In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit certain banks to immediately call loans and borrowings.

The Group has delayed repayment of dues to banks and financial institutions during the year. The following are the summary of delays company wise

GVKPIL

Particulars	Year ended March 31, 2017	Delay in days
Repayment of interest on loans from banks	691	61 - 149
Repayment of interest on loans from banks	1,170	29 - 121
Repayment of interest on loans from banks	802	27 - 87
Repayment of principal payment on loans from banks	2,050	30 - 153
Repayment of principal payment on loans from banks	2,460	28 - 90
Repayment of interest on loans from banks	915	318 - 440
Repayment of interest on loans from banks	2,523	21 - 415
Repayment of principal payment on loans from banks	14,956	Unpaid as at March 31, 2017

GVKDKEPL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest to banks	1,042	1-30
Payment of interest to banks	2,418	31-60
Payment of interest to banks	3,360	61-90
Repayment of principal to Bank	54	1-30
Repayment of principal to Bank	54	31-60
Repayment of principal to Bank	54	61-90
Payment of interest to financial institutions	489	31-60
Payment of interest to financial institutions	696	61-90
Payment of interest to financial institutions	284	91-120
Repayment of principal to financial institutions	12	1-30
Repayment of principal to financial institutions	12	31-60
Repayment of principal to financial institutions	12	61-90
Repayment of principal to Bank	54	Unpaid as at March 31, 2017
Payment of interest to financial institutions	139	Unpaid as at March 31, 2017

GVKBVEPL

Particulars	Year ended March 31, 2017	Delay in days
Payment of interest to banks	1,318	1-30
Payment of interest to banks	1,047	31-60
Payment of interest to banks	1,072	61-90
Payment of interest to banks	105	91-120
Payment of interest to financial institutions	218	1-30
Payment of interest to financial institutions	451	31-60
Payment of interest to financial institutions	211	61-90
Payment of interest to financial institutions	111	91-120
Payment of interest to financial institutions	109	121-150
Payment of interest to financial institutions	105	181-210
Payment of interest to banks	764	Unpaid as at March 31, 2017
Payment of interest to financial institutions	119	Unpaid as at March 31, 2017

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GVKRHEPL

Particulars	Year ended March 31, 2017	Delay in days
Repayment of interest on loans from banks	2,773	0-180
Repayment of interest on loans from banks	5,577	181-352
Repayment of interest on loans from banks*	11,685	353-777

*Includes Rs.2200 Lakhs reimidied after 399 days

GVKTPL

Particulars	Year ended March 31, 2017	Delay in days
Repayment of interest on loans taken from banks	1,620	1-30
Repayment of interest on loans taken from banks	1,086	31-60
Repayment of interest on loans taken from banks	293	61-120
Repayment of principal on loans taken from banks	3,828	1-30
Repayment of principal on loans taken from banks	5,161	31-60

GVKADL

Particulars	Year ended March 31, 2017	Delay in days
Repayment of interest on loans taken from banks	3,445	1-30
Repayment of interest on loans taken from banks	2,857	31-60
Repayment of interest on loans taken from banks	734	61-120
Repayment of interest on loans taken from financial institutions	11,477	57-150
Repayment of principal on loans taken from financial institutions	9,353	57-150
Repayment of principal on loans taken from banks	2,868	1-10
Repayment of principal on loans taken from banks	1,103	44-54

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

- 42.** The Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company of a Jointly controlled entity, and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 31,115 lakhs (March 31, 2016: Rs. 34,668 lakhs). The Company has received order from Hon'ble High Court dated March 09, 2017, based on which the Company has resubmitted its claim for the balance compensation claim. Management believes that the aforesaid company will be appropriately reimbursed for cancelled coal mine accordingly no provision is required to be made to carrying value of assets.
- 43.** a) The Company has made investments and has receivables aggregating to Rs. 51,815 lakhs (March 31, 2016: Rs. 20,157) and provided guarantees and commitments for loans amounting to Rs. 752,110 (March 31, 2016: Rs. 769,444) taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017, and has undertaken to provide financial assistance of USD 460 million (Rs.31,104 lakhs) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 2,119 million (Rs. 1,432,932 lakhs) as at June 30, 2016 and has incurred losses of USD 122 million (Rs. 83,017 lakhs) for the year ended June 30, 2016, based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have significantly fallen since GVK coal had acquired stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal. Further, certain lenders of GVK Coal have classified the loan as non- performing and the lenders had abridgement option on the loans either on October 2015 or every year thereafter. The lenders have not yet exercised the option for repayment of the loan.

GVK coal is in discussion with non- controlling shareholders to realign the option exercise dates, looking for additional funding from potential investors and working with lenders to reach to optimal solution. Management believes that while the

Notes to the consolidated financial statements for the year ended March 31, 2017

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prices of coal have fallen, the fall in prices of other commodities and services would offset the impact of fall in coal prices on the project by reducing capital and operating cost requirements and hence, GVK Coal would be able to establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary in nature and will not impact ability of the GVK Coal to continue in operation in foreseeable future. The management further believes that the aforesaid will not have any material adverse impact upon cash flows of the Company and accordingly no adjustment is required to receivables, investments, guarantees and commitments.

b) GVK coal is continued to be assessed as an investment only.

44. Uncertainties faced by GVK Energy Limited and its group companies (Jointly controlled entity and its group companies)

a. There has been uncertainty regarding supplies/availability of gas to power generating plants and power projects under construction of the Group. Further, these group companies engaged in this business have made losses of Rs. 26,729 lakhs (March 31, 2016: Rs.26,158 lakhs). Further, certain banks have classified loan balances of these group companies as non-performing assets. These group companies are in the process of restructuring the loans. The Company is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas. Further, Management based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions believes that these group companies will continue to be in operation in foreseeable future despite continued losses. The Management accordingly believes that fixed assets with carrying value of Rs. 188,164 lakhs (March 31, 2016: Rs.209,798 lakhs) are recoverable in normal course of business.

b. Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 444,129 lakhs (March 31, 2016: Rs.463,295 lakhs) of one of the group companies, towards supply of fuel. Management has obtained coal linkage for six months, tied up for importing coal and is mulling other options such as, obtaining coal linkage locally and has filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. PSERC in its interim order has allowed the group company to run the plant on imported fuel for upto two and half years within which the group company should make arrangements for coal on long term basis. Management based on internal assessment/legal advice believes that cancellation of coal mine will not impact the operations of the power project and accordingly believes that fixed assets of the group company are recoverable in the normal course of the business.

c. One of the subsidiaries of GVKEL, has completed construction of 330MW hydro power project with a carrying value of Rs.506,768 lakhs as at March 31, 2017 (March 31, 2016: Rs. 529,882 lakhs). The said Company has filed petitions with Uttar Pradesh Electricity Regulatory Commission ('UPERC') for extension of scheduled commercial operation date ('SCOD') and approval of additional capital cost to be considered for tariff determination. In the interim UPERC has provisionally determined tariff for the financial year 2014-15 and 2015-16 subject to the aforesaid petitions. The said Company had also filed a review petition with UPERC for revising the provisional tariff since it believes that certain components of the provisional tariff were not determined in accordance with the tariff regulations. UPERC in response to the review petition has stated that it will consider certain objections raised by the said Company during determination of final tariff. Pending determination of final tariff subsidiary has recorded revenue based on the provisional tariff approved by UPERC. Management based on its internal assessment/legal advice is confident that the aforementioned petitions will be decided in its favour.

The Company accordingly believes that investments in the jointly controlled entity amounting to Rs. 108,323 is recoverable in normal course of business and no provision for diminution is necessary.

45. Trade receivable of GVKIL, a subsidiary company of a jointly controlled entity, include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs. 3,212 lakhs (March 31, 2016: Rs. 2,868 lakhs) by GVKIL, disincentive recoverable aggregating to

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Rs. 2,151 lakhs (March 31, 2016: Rs. 1,921 lakhs), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2010-2011, aggregating to Rs. 2,945 lakhs (March 31, 2016: Rs. 2,790 lakhs) and other receivables of Rs. 54 lakhs (March 31, 2016: Rs. 48 lakhs) which are being refuted by AP Transco/subject to approvals.

46. As at March 31, 2017, the Group/Company had accumulated losses and the Group/Company has incurred losses during the preceding two years and the current year. The Company has delayed payment of loans and interest and certain loan accounts have been classified as nonperforming by banks. The Company has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 42, 43, 44 and 45 uncertainties are being faced by various projects in the Group such as delays in development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, cancellation of coal linkage to coal based plant and re-negotiation of terms of PPA of coal based plant. Notwithstanding the above, the financial results of the Company have been prepared on going concern basis as Management believes that the Company would be able to establish profitable operations, meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required and despite current macro- economic environment challenges would establish profitable operations.

47. BIAL, the associate company in the financial year 2013-14, accounted for depreciation as per its accounting policy which was in accordance with the requirements of Schedule XIV of the Companies Act, 1956. The revised useful lives of property, plant and equipment was effective from April 01, 2014 and was in accordance with Part C of Schedule II of the Act. During the financial year 2014-15, the Airport Economic Regulatory Authority ('AERA') in its Order No. 08/2014-15 dated June 10, 2014 issued to the associate company has stated that it has initiated the process to issue a notification on the useful lives for airport specific assets based on the guidance provided in Part B of Schedule II of the Act. We have been informed by the Management that pending notification of such useful lives of property, plant and equipment by AERA, the associate company would continue to follow the useful lives of property, plant and equipment as per the existing accounting policy. Pending the aforesaid notification from AERA, any impact on the depreciation, book value of property, plant and equipment and the consequential impact on profit for the year, reserves and surplus as at March 31, 2017 and taxes including deferred taxes of the associate company is currently not ascertainable.

48. On January 17, 2013 and subsequently from time to time, Securities and Exchange Board of India (SEBI) made amendment to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement, pursuant to which listed entities have been prohibited from framing any employee benefit schemes involving acquisition of own securities from secondary market in excess of 10% of total assets of the scheme. The Group had formed GVK Employee Welfare Trust on July 15, 2009 which currently holds 18,083,890 own equity shares which were acquired from secondary market. The Company had advanced Rs. 2,500 in earlier years to the Trust and has provided for expected credit loss of Rs.1,764 as at April 1, 2015. The Company has reversed Rs.Nil (March 31, 2016: Rs.96) towards reversal of credit loss. During the current year, the Company has received an amount of Rs.104 and has written off balance receivable of Rs.728 in the statement of profit and loss.

49. Additional Disclosures

i. Passenger Service Fee (Security Component)

In MIAL, one of the Step down Subsidiaries of the Parent company, Ministry of Civil Aviation ("MoCA"), has issued a Standard Operating Procedure ("SOP") for Accounting / Audit of Passenger Service Fee (Security Component) [PSF (SC)] according to which, amounts collected towards PSF (SC) are held in fiduciary capacity by the MIAL for the Government of India. PSF (SC) so collected is kept separately in an escrow account and is utilized to meet the security related expenses

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- of the Airport. It is also stipulated in the Escrow Account Agreement that MoCA will have supervening powers to direct the Escrow Bank on the issues regarding operations as well as withdrawals from the escrow account. The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in SOP and are subject to audit by the Comptroller & Auditor General of India ("CAG"). In terms of the SOP, the income from the security component of PSF (SC) after adjusting for expenses are offered to tax along with the Company's own income. Such taxes are to be paid out of income from PSF (SC) in terms of the SOP.
- ii) In MIAL, one of the Step down Subsidiaries of the Parent company, Applicability of service tax on the rent / license fee / lease being charged by the MAIL has been disputed by certain airlines and concessionaires who have not paid the service tax on such services and most of them have obtained stay order from various Courts. However some of these concessionaires who are members of Retailers Association of India ("RAI") have deposited the arrears of Service tax due for the period prior to September 30, 2011 with the Court as per the order given by the Hon'ble Supreme Court. The matter is currently subjudice and necessary action will be taken by the MIAL once the matter is decided by the Courts. However, in the opinion of the MIAL, this would not have any impact on the financial results of the Group as the same is recoverable from the said parties if it becomes payable by the MIAL.
- iii) MIAL has paid Annual Fee to AAI on interest recovered from its customers (other than Air India) on delayed payment under protest. The applicability of Annual Fee on such interest is disputed by the Company as the Annual Fee on related revenues has already been paid in time as per OMDA even though such dues are not collected from customers in time and the interest recovered is primarily to compensate for the Company's own borrowing cost.
- iv) In terms of Airports Economic Regulatory Authority (AERA) order dated December 21, 2012, MIAL is allowed to collect Development Fee (DF) up to Rs. 340,000 (excluding Rs.1,33,050 towards interest on loan taken against securitisation of DF (DF Loan) which is to be utilised exclusively for development of Aeronautical assets and to meet the funding gap of the project.
- a) Billed to airlines - Rs. 45,144 (March 31, 2016: Rs. 41,291)
- b) Interest incurred and loan processing charges - Rs. 26,829 (March 31, 2016: Rs. 29,101)
- c) Interest earned on unutilised funds and on delayed payments by airlines - Rs. 136 (March 31, 2016: Rs. 215)
- v) MIAL had approached the Airports Economic Regulatory Authority of India (AERA) for approving the funding of two Metro rail stations in CSI Airport area for Rs.518 crores through levy of Development Fees (DF). AERA by its Order dated 28th January, 2016 allowed funding the cost of 2 metro stations aggregating Rs. 51,800 Lakhs through DF. In terms of the said Order, AERA determined a MDF(Metro Development Fees) levy of Rs. 20/- per embarking domestic passenger and Rs. 120/- per embarking international passenger. This levy is exclusive of statutory taxes. The MDF levy to be used to contribute towards 2 metro stations coming up in the CSIA airport area, as per the MoU entered between MMRC and MIAL.
- AERA had permitted the Company to securitise the MDF levy to the extent of shortfall in contribution to be paid to MMRC. In case of a surplus collection of MDF, AERA expects Airports Authority of India to prudently invest the surplus amount.
- vi) The Comptroller and Auditor General of India (CAG) has conducted the performance audit of Public Private Partnership (PPP) project of AAI at Chhatrapati Shivaji International Airport (Mumbai Airport) for the period 2006 to 2012. The CAG Report has been laid on the table of the Parliament House on July 18, 2014 wherein they have made certain observations on MIAL project and the Public Accounts Committee has also made certain observations in the Parliament. The management is of the opinion that the observations in the CAG report do not have any financial impact on these financial statements of the Company.
- vii) MIAL collects "Marketing Fund" at a specified percentage from various concessionaires as per respective concession agreements, to be utilized towards sales promotion activities as defined in such agreements. As on March 31, 2017 the Company has an accumulated amount of Rs. 2,447 (March 31, 2016: Rs. 1,811; April 01, 2015: Rs. 1,222) towards such fund.

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50. First time adoption to Ind-AS

1. Reconciliation between net loss as previously reported under Previous GAAP and Ind AS for the year ended 31 March 2016

Particulars	Notes	Year ended March 31, 2016
Net loss under previous GAAP		(93,418)
Fair value gain on current investments	i	113
Fair value loss on investments	ii	(1,421)
Financial guarantee income/(expense) including exchange differences and unwinding income on financial assets	iii	1,118
Fair value changes on financial assets	iv	(676)
Gain on deemed dilution of GVK Energy Limited	v	34,964
Interest expense on NHAI premium payable	vi	(941)
Depreciation/amortisation on adjustments to property, plant and equipment/intangible assets	vii	(1,461)
Present value change on major maintenance provision	viii	829
Others		(300)
Deferred tax on Ind AS adjustments	xii	(3,553)
Net loss under IND AS		(64,746)

2.Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

Particulars	Notes	As at April 01, 2015	Year ended March 31, 2016
Equity reported under Previous GAAP as on March 31, 2016		193,868	135,604
Adjustments:			
Fair value gain on current investments	i	242	355
Fair value loss on investments	ii	(16,260)	(16,520)
Financial guarantee income/(expense) including exchange differences and unwinding income on financial assets	iii	(2,427)	(2,470)
Fair value changes on financial assets	iv	(34)	(710)
Interest expense on NHAI premium payable	vi	-	(941)
Depreciation/amortisation on adjustments to property, plant and equipment/intangible assets	vii	208	(1,253)
Present value change on major maintenance provision	viii	-	829
Equity pick up on Ind AS adjustments of jointly controlled entities and associate	ix	(6,988)	(7,079)
Grant adjusted against intangible asset	x	3,590	3,590
Consolidation of welfare trust	xi	(4,789)	(4,789)
Others		858	649
Deferred tax on Ind AS adjustments	xii	(3,592)	(7,145)
Equity reported under Ind AS as on March 31, 2016		164,676	100,120

Notes:

i) Fair Value gain on current investment

Under Indian GAAP, investments in mutual funds are accounted for as short-term investments and accordingly they are carried at lower of cost and fair value. Under Ind AS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value.

ii) Fair value loss on investment

The Group has made certain investments in certain non cumulative redeemable preference shares including share application money in coal project with the object of obtaining coal at discounted price. Under Indian GAAP the same have been carried at cost. Under Ind AS the same are carried at amortised cost and the fair value loss on initial recognition has been taken to opening retained earnings or the statement of profit and loss, as the case may be, as the coal project is facing certain difficulties.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

iii) Financial guarantee income/(expense) including exchange difference and unwinding income on financial assets

a) Financial guarantees where guarantee commission is charged

Under Indian GAAP, the Company has recognised Guarantee Commission on loan balance. However, under IND-AS, the Company has present valued the guarantee commission receivable through the tenor of the loan and recognised a receivable (financial asset) and unearned guarantee commission income (financial liability). The unearned guarantee commission income is taken to income on straight line basis and interest income is recognised on financial asset through the tenor of the loan.

b) Unwinding income on financial assets

As mentioned in note (ii) above non cumulative redeemable preference shares including share application money in coal project has been carried at amortised cost and fair value loss on initial recognition has been taken to opening retained earnings or the statement of profit and loss, as the case may be, and subsequently interest income on the financial asset has been recognised in the statement of profit and loss.

iv) Fair value changes on financial assets

Under previous GAAP, Non current financial assets are recorded at transaction value and were not discounted to reflect the fair value. Under Ind AS, Non current financial assets carried at amortised cost are initially recorded at fair value.

v) Gain on deemed dilution of GVK Energy Limited

Under Ind AS, the impact of dilution of share of interest in Joint venture (i.e. GVK Energy Limited) has been recorded in consolidated statement of profit and loss account whereas under Indian GAAP the same was recorded in capital reserve.

vi) Interest expense on NHAI premium payable

Under Indian GAAP, negative grants payable under service concessionaire arrangement were recorded in the statement of profit and loss account as and when the negative grant was payable. Under Ind AS, those amounts represents the Financial liability payable to the Grantor and shall be recorded at fair value as at the date of acquisition of right and subsequently interest expense is recorded on the same.

vii) Depreciation/amortisation on adjustments to property, plant and equipment/intangible assets

Depreciation/amortisation has been recomputed on account of various Ind-AS adjustments like capitalisation of positive/negative grant at their fair values, unamortised transaction costs, etc to carrying value of property, plant and equipment/intangible assets

viii) Present value change on major maintenance provision

Under Indian GAAP, Non current financial liabilities i.e. provision for major maintenance was recorded at transaction value and not discounted. Under Ind AS, the same has been carried at amortised cost recorded at discounted/fair value.

ix) Equity pick up on Ind AS adjustments of jointly controlled entities and associate

Represents Groups' share in change in equity of jointly controlled entities and associate on account of Ind AS adjustments.

x) Grant adjusted against intangible asset

Under Indian GAAP, Grant received under service concessionaire arrangement was treated as Capital Government Grant and was deferred over the tenure of the service concessionaire arrangement. Under Ind AS, Grant represents financial asset receivable from the Grantor and is recorded at fair value as at the date of acquisition of right.

xi) Consolidation of welfare trust

Under Indian GAAP, the loans given to employee welfare trust for acquisition of own equity shares were treated as loans and advances. Under Ind AS, the employee welfare is consolidated. Hence such treasury shares are recorded under other equity.

xii) Deferred tax on Ind AS adjustments

Under Indian GAAP, tax expense in the consolidated financial statements represented line by line addition of tax expense of the parent and its subsidiaries. No adjustments to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of joint ventures and associates. Also, deferred tax has been recognised on the adjustments made on transition to Ind AS.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

51. First time adoption of Ind-AS

These consolidated financial statements for the year ended March 31, 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening consolidated balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. Note 50 explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions/exceptions:

- i) There is no change in the functional Currency of any of the components of the Group and accordingly, the Group has elected to continue with the carrying values for all of its property, plant and equipment, intangible assets and investment property as recognised in its Indian GAAP financial statements as the deemed cost at the transition date.

MIAL has recognised the Government Grant received in the form of rights to collect Airport Development Fees (ADF) as a deferred income as per Ind AS 20 on Accounting for Government Grants and disclosure for Government Assistance which is to the extent of ADF billed till the date of transition. Correspondingly, in accordance with paragraph 10 of Ind AS 101, the assets funded out of ADF which were previously reduced from the gross carrying value of the assets were added back to the opening carrying value of asset (net of cumulative depreciation impact) and to capital work-in-progress. Deferred income relating to the ADF billed is recognised in the statement of profit or loss and presented as a reduction of the depreciation expense of the corresponding assets. This adjustment to the gross carrying amount of assets is not construed as an adjustment to the deemed cost of property, plant and equipment as envisaged under paragraph D7AA of Ind AS 101

The carrying amount of loan is required to be restated to its amortised cost in accordance with the requirements of Ind AS 109 as at the date of transition. Accordingly, unamortised amount of transaction cost (processing fees) as at the date of transition is adjusted from carrying amount of loan to arrive at its amortised cost. The company had already capitalised the transaction cost (processing fees) as a part of costs of the fixed assets. As a consequence, to restate the carrying amount of loan in accordance with paragraph 10 of Ind AS 101, the carrying amount of property, plant & equipment and capital work in progress as at the transition date is also reduced by the amount of transaction cost (processing fees) to the extent required (net of cumulative depreciation impact). The difference between the adjustments to the carrying amount of loan and to property, plant and equipment is recognised in retained earnings (finance cost and reduction in depreciation) as at the date of transition.

- ii) Ind AS 101 requires a first-time adopter to apply derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition to Ind AS. Accordingly, the Group continues to de-recognise the financial assets and financial liabilities for transactions which have occurred before the date of transition to Ind AS.
- iii) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.
- iv) The estimates as at April 01, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015 (transition date) and as of March 31, 2016.

- v) The Group has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2015.
- vi) The Group has classified the financial assets in accordance with Ind AS 109 on the basis of the facts and circumstances that exist on the date of transition to Ind AS.
- vii) The group holds 73.94% as at transition date in GVKEL. Accordingly, under Indian GAAP group had consolidated its interest in the GVKEL as subsidiary in the Consolidated Financial Statement. On transition to Ind AS the group has assessed and determined that GVKEL as its joint venture under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against line by line consolidation. For the application of equity method, the initial investment is measured as the aggregate of carrying amount of assets and liabilities that the group had previously consolidated including any goodwill arising on acquisition.
- viii) Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2015.

The group has used same exemptions for interest in associates and joint ventures.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

52. Subsidiary Information

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
GVK Power & Infrastructure Ltd								
Balance as at March 31, 2017	159%	176,717	21%	(27,101)	0%	(1)	21%	(27,102)
Balance as at March 31, 2016	102%	203,819	19%	(12,357)	0%	-	19%	(12,357)
Subsidiaries incorporated in India								
GVK Airport Developers Ltd								
Balance as at March 31, 2017	-109%	(120,701)	29%	(37,616)	0%	-	29%	(37,616)
Balance as at March 31, 2016	-41%	(83,085)	82%	(53,172)	0%	-	82%	(53,172)
GVK Airport Holdings Pvt Ltd								
Balance as at March 31, 2017	21%	22,773	0%	(1)	0%	-	0%	(1)
Balance as at March 31, 2016	11%	22,774	0%	(1)	0%	-	0%	(1)
Mumbai International Airport Private Limited**								
Balance as at March 31, 2017	166%	184,246	6%	(8,300)	34%	(97)	6%	(8,397)
Balance as at March 31, 2016	98%	196,880	13%	(8,407)	1%	2	13%	(8,405)
Bangalore Airport & Infrastructure Developers Pvt Ltd								
Balance as at March 31, 2017	46%	50,711	-31%	40,226	0%	-	-31%	40,226
Balance as at March 31, 2016	0%	(15)	0%	(3)	0%	-	0%	(3)
GVK Airport Services Pvt Ltd.								
Balance as at March 31, 2017	0%	17	0%	(2)	0%	-	0%	(2)
Balance as at March 31, 2016	0%	0	0%	(0)	0%	-	0%	(0)
GVK Transportation Pvt Ltd								
Balance as at March 31, 2017	-18%	(20,036)	-1%	1,116	0%	-	-1%	1,116
Balance as at March 31, 2016	-11%	(21,153)	-2%	1,013	0%	-	-2%	1,013
GVK Jaipur Expressway Private Limited								
Balance as at March 31, 2017	44%	49,117	-6%	8,119	-5%	16	-6%	8,134
Balance as at March 31, 2016	23%	46,862	-7%	4,224	-26%	(33)	-6%	4,192
Sutara Roads & Infra Limited								
Balance as at March 31, 2017	85%	94,084	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2016	47%	94,085	0%	(0)	0%	-	0%	(0)
GVK Deoli Kota Expressway Pvt Ltd								
Balance as at March 31, 2017	5%	5,387	11%	(14,631)	0%	1	11%	(14,630)
Balance as at March 31, 2016	8%	15,143	13%	(8,397)	-2%	(2)	13%	(8,399)
Shivpuri - Dewas Expressway Pvt Ltd								
Balance as at March 31, 2017	0%	(10)	0%	(56)	0%	-	0%	(56)
Balance as at March 31, 2016	8%	15,143	1%	(931)	0%	-	1%	(931)
GVK Bagodara Vasad Expressway Pvt Ltd								
Balance as at March 31, 2017	13%	14,506	0%	-	0%	-	0%	-
Balance as at March 31, 2016	7%	14,485	0%	-	0%	-	0%	-
GVK Developmental Projects Pvt Limited								
Balance as at March 31, 2017	4%	4,340	1%	(930)	0%	-	1%	(930)
Balance as at March 31, 2016	-13%	(25,629)	1%	(470)	0%	-	1%	(470)
GVK Ratle Hydroelectric Project Pvt Ltd								
Balance as at March 31, 2017	23%	25,764	9%	(11,397)	0%	-	9%	(11,397)
Balance as at March 31, 2016	19%	37,157	13%	(8,485)	0%	-	13%	(8,485)

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
GVK Energy Ventures Pvt Ltd								
Balance as at March 31, 2017	0%	0	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2016	0%	(0)	0%	(0)	0%	-	0%	(0)
Goriganga Hydro Power Private Limited								
Balance as at March 31, 2017	0%	-35.26	0%	-32.38	0%	-	0%	(32)
Balance as at March 31, 2016	0%	-2.89	0%	-3.89	0%	-	0%	(4)
GVK Perumbalur SEZ Private Limited								
Balance as at March 31, 2017	4%	4,523	0%	146.25	0%	-	0%	146
Balance as at March 31, 2016	1%	1,877	0%	209	0%	-	0%	209
GVK Oil & Gas Limited								
Balance as at March 31, 2017	-1%	(754)	0%	3	0%	-	0%	3
Balance as at March 31, 2016	0%	(760)	1%	(488)	0%	-	1%	(488)
GVK Employee Welfare Trust								
Balance as at March 31, 2017	0%	-	0%	(0)	0%	-	0%	(0)
Balance as at March 31, 2016	0%	-	0%	-	0%	-	0%	-
Subsidiaries incorporated outside India								
GVK Airports International Pte Ltd.								
Balance as at March 31, 2017	0%	18	0%	(8)	0%	-	0%	(8)
Balance as at March 31, 2016	0%	30	0%	(7)	0%	-	0%	(7)
PT.GVK Services, Indonesia.								
Balance as at March 31, 2017	5%	5,420	0%	(404)	0%	-	0%	(404)
Balance as at March 31, 2016	2%	3,167	-1%	562	0%	-	-1%	562
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2017	127%	140,564	3%	(4,135)	0%	-	3%	(4,135)
Balance as at March 31, 2016	50%	100,520	6%	(4,039)	0%	-	6%	(4,039)
Associates incorporated in India								
Bangalore International Airport Limited (BIAL)								
Balance as at March 31, 2017	49%	53,968	-18%	23,464	17%	(48)	-18%	23,416
Balance as at March 31, 2016	108%	215,759	-28%	18,206	-26%	(33)	-28%	18,173
Jointly Controlled entities incorporated in India								
GVK Energy Limited								
Balance as at March 31, 2017	50%	55,936	50%	(65,749)	0%	-	50%	(65,749)
Balance as at March 31, 2016	61%	121,685	42%	(27,293)	2%	3	42%	(27,290)
Mumbai Aviation Fuel Farm Facility Private Limited								
Balance as at March 31, 2017	4%	4,231	-1%	655	0%	-	-1%	655
Balance as at March 31, 2016	2%	3,576	0%	199	0%	-	0%	199
Consolidation adjustments								
Balance as at March 31, 2017	-577%	(639,906)	26%	(33,594)	55%	(157)	26%	(33,752)
Balance as at March 31, 2016	-380%	(761,676)	-54%	34,962	151%	187	-54%	35,149
Total								
Balance as at March 31, 2017	100%	110,881	100%	(130,228)	100%	(287)	100%	(130,515)
Balance as at March 31, 2016	100%	200,640	100%	(64,680)	100%	124	100%	(64,556)

*Net assets means total assets minus total liabilities excluding minority and equity.

**Includes net assets and losses of its subsidiaries and joint venture

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

53. Related Parties

(a) Enterprises over which Key Managerial Personnel exercise significant influence

- 1 GVK Projects and Technical Services Limited
- 2 GVK Technical & Consultancy Services Pvt Ltd
- 3 GVK Novopan Industries Limited
- 4 GVK Coal Developers (Singapore) Pte Ltd
- 5 GVK Airport Foundation
- 6 GVK Emergency Management and Research Institute (a society registered under Societies Registration Act)
- 7 GVK Employee welfare trust
- 8 GVK Foundation
- 9 Orbit Travels & Tours Private Limited
- 10 Paigah House Hotel Private Limited
- 11 Pinakani Share and Stock Broker Limited
- 12 TAJ GVK Hotels & Resorts Limited
- 13 Krishna enterprises
- 14 Ubiquitous Construction LLP
- 15 Ybrant Engineering and Construction Private Limited
- 16 GVK Bio Sciences Private Limited

(b) Key Managerial Personnel

- 1 Dr. G V K Reddy
- 2 Mr. G V Sanjay Reddy
- 3 Mr. Krishna Ram Bhupal
- 4 A Issac George
- 5 K Balarama Reddi
- 6 Balasubramanian S
- 7 CH G Krishna Murthy
- 8 S Anwar
- 9 Santha K John

(c) Joint Controlled entities

- 1 GVK Energy Ltd
- 2 Alaknanda Hydro Power Company Limited
- 3 GVK Coal (Tokisud) Co. Pvt. Ltd.
- 4 GVK Gautami Power Limited
- 5 GVK Industries Limited
- 6 GVK Power (Goindwal Sahib) Limited
- 7 GVK Power (Khadur Sahib) Private Limited
- 8 Mumbai Aviation Fuel Farm Facility Private Limited

(d) Associates

- 1 Bengaluru International Airport Limited
- 2 Seregraha Mines Limited

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(All amounts in INR lakhs, except share data and where otherwise stated)

Details of related party transactions during the year:

Particulars	GVK Projects and Technical Services Limited	GVK Technical & Consultancy Services Pvt Ltd	GVK Coal Developers (Singapore) Pte Ltd	TAJ GVK Hotels & Resorts Limited	Orbit Travels & Tours Private Limited	GVK Novopan Industries Limited	GVK Employee welfare trust	GVK Foundation	Krishna enterprises	Paigah House Hotel Private Limited	GVK Energy Ltd
Services received (including EPC services)	4,126	2,123	-	5	11	-	-	-	-	55	126
	(34,077)	(1,665)	-	(12)	(68)	(105)	-	-	(30)	(281)	(125)
Fees for services rendered (including service tax and corporate guarantee commission income)	-	-	1,112	-	-	-	-	-	-	-	-
	-	-	(1,200)	-	-	-	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Transfer of assets	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	219	-	-	-
	-	-	-	-	-	-	-	(100)	-	-	-
Loans taken	-	-	-	-	-	-	-	-	-	-	9,481
	-	-	-	-	-	-	-	-	-	-	(2,227)
Loans given	-	-	205	-	-	-	-	-	-	-	18,263
	-	-	-	-	-	-	-	-	-	-	(177)
Loans recovered	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-	443	-	-	-	541
	(6,861)	-	(187)	-	-	-	-	-	-	-	(902)
Advances written off	-	-	22,498	-	-	-	1,055	-	-	-	-
	-	-	(1,421)	-	-	-	-	-	-	-	-
Advances given	194	-	-	-	-	-	-	-	-	-	-
	(17,248)	(258)	-	-	-	-	-	-	-	-	-
Advances repaid/adjusted	194	-	-	-	-	-	-	-	-	-	-
	(8,543)	(202)	-	-	-	-	-	-	-	-	-
Investment in equity/ preference shares	-	-	26,479	-	-	-	-	-	-	-	5,118**
Investment in equity/ preference shares	-	-	(22,258)	-	-	-	-	-	-	-	(78,2050)**
Retention money retained	13	-	-	-	-	-	-	-	-	-	-
	(85)	-	-	-	-	-	-	-	-	-	-
Retention money refunded/adjusted	-	-	-	-	-	-	-	-	-	-	-
	(2,601)	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Preference shares allotted	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-	-
	-	-	(56,838)	-	-	-	-	-	-	-	-
Guarantees released	2,006	-	8,493	-	-	-	-	-	-	-	-
	(1,935)	-	-	-	-	-	-	-	-	-	-
Other income	3	-	2,151	-	-	-	-	-	-	-	15
	(4)	-	(1,754)	-	-	-	(172)	(100)	-	-	(125)
Investment pledges made (No. of shares)	-	-	74,439,264	-	-	-	-	-	-	-	143,050,182
	-	-	-	-	-	-	-	-	-	-	(143,050,182)
Share application money given	-	-	26,058	-	-	-	-	-	-	-	-
Share application money received	-	-	(2,984)	-	-	-	-	-	-	-	-
Share application money received	-	-	53	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-
Equity shares allotted	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding											
Receivables/(Payables) - March 31, 2017	67,631	(2,784)	(50,678)	(4)	(36)	-	-	-	-	-	10,409
Receivables/(Payables) - March 31, 2016	70,625	(1,933)	25,377	(0)	37	-	1,498	-	-	-	2,178
Receivables/(Payables) - April 01, 2015	(6,995)	(1,414)	21,425	0	(37)	-	1,326	-	-	-	3,879
Corporate Guarantee- March 31, 2017	-	-	368,534	-	-	-	-	-	-	-	30,950
Corporate Guarantee- March 31, 2016	(2,006)	-	(377,027)	-	-	-	-	-	-	-	(30,950)
Corporate Guarantee- April 01, 2015	(3,941)	-	(320,189)	-	-	-	-	-	-	-	(30,950)
Pledge of Investment (no. of shares) - March 31, 2017	-	-	226,082,500*	-	-	-	-	-	-	-	230,960,770
Pledge of Investment (no. of shares) - March 31, 2016	-	-	(151,643,236)	-	-	-	-	-	-	-	(230,960,770)
Pledge of Investment (no. of shares) - April 01, 2015	-	-	(151,643,236)*	-	-	-	-	-	-	-	(87,910,588)

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	GVK Industries Limited	GVK Power (Goin-dwal Sahib) Limited	Alaknanda Hydro Power Company Limited	GVK Gautami Power Limited	GVK Coal (Tok-isud) Company Private Limited	Ybrant Engineering and Construction Private Limited	Mumbai Aviation Fuel Farm Facility Private Limited	Ubiquitous Construction LLP	"Bangalore International Airport Limited"	"Pinakani Share and Stock Broker Limited"	Seregraha Mines Limited
Services received (including EPC services)	-	-	-	1,150	-	-	-	-	-	-	-
Fees for services rendered (including service tax and corporate guarantee commission income)	-	-	-	(1,046)	-	-	1,042	-	-	-	(5)
Reimbursement of expenses (Billable expenses)	-	-	-	412	-	-	-	-	-	-	-
Transfer of assets	-	-	-	(415)	-	-	925	-	-	-	-
Donation	-	-	-	-	-	-	(9,797)	-	-	-	-
Loans taken	1	-	-	-	-	43,343	-	-	-	-	-
Loans given	-	0	2	-	-	(8,816)	-	-	4	-	-
Loans recovered	-	(6)	-	-	-	-	-	-	(1)	-	-
Loans repaid	-	-	75	-	-	-	-	-	1	-	-
Advances written off	(2)	-	-	-	-	-	-	-	(8)	-	-
Advances given	2	-	-	-	-	-	-	-	-	-	-
Advances repaid/adjusted	(6)	-	-	-	-	-	-	-	-	-	-
Investment in equity/ preference shares	5	-	-	-	-	-	-	-	-	-	-
Retention money retained	-	(0)	-	-	-	-	-	-	-	-	-
Retention money refunded/adjusted	-	-	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	-	-	-	-	-	-	-	-	-	-	-
Preference shares allotted	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-	-
Guarantees released	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Investment pledges made (No. of shares)	-	-	-	-	-	-	-	-	-	-	-
Share application money given	-	-	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	2,500	-	-	-
Equity shares allotted	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding	-	-	-	-	-	-	-	-	-	-	-
Receivables/(Payables) - March 31, 2017	137	25	(0)	715	0	(62,024)	-	-	4	-	6
Receivables/(Payables) - March 31, 2016	141	24	(0)	622	-	(18,681)	16	-	1	(6)	10
Receivables/(Payables) - April 01, 2015	133	19	(2)	388	-	-	-	-	8	(5)	10
Corporate Guarantee- March 31, 2017	-	4,050	-	-	-	-	-	-	-	-	1,441
Corporate Guarantee- March 31, 2016	-	(4,050)	-	-	-	-	-	-	-	-	(1,441)
Corporate Guarantee- April 01, 2015	-	(4,050)	-	-	-	-	-	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2017	-	-	-	-	-	-	-	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2016	-	-	-	-	-	-	-	-	-	-	-
Pledge of Investment (no. of shares) - April 01, 2015	-	-	-	-	-	-	-	-	-	-	-

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

Particulars	Dr. G V K Reddy	Mr. G V Sanjay Reddy	Mr. Krishna Ram Bhupal	Balasubra-manlan S	S Anwar	"San-tha K John"	K Balarama Reddi	CH G Krishna Murthy	Mr. A Issac George
Services received (including EPC services)	-	-	-	-	-	-	-	-	-
Fees for services rendered (including service tax and corporate guarantee commission income)	-	-	-	-	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	-	-	-	-	-
Transfer of assets	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	-	-	-	-	-	-
Loans recovered	-	-	-	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-	-	-	-
Advances written off	-	-	-	-	-	-	-	-	-
Advances given	-	-	-	-	-	-	-	-	-
Advances repaid/adjusted	-	-	-	-	-	-	-	-	-
Investment in equity/ preference shares	-	-	-	-	-	-	-	-	-
Investment in equity/ preference shares	-	-	-	-	-	-	-	-	-
Retention money retained	-	-	-	-	-	-	-	-	-
Retention money refunded/adjusted	-	-	-	-	-	-	-	-	-
Remuneration to key managerial personnel	444	1,252	428	1	1	0	2	2	-
Preference shares allotted	(313)	(314)	(276)	(3)	(1)	(1)	(2)	(3)	(41)
Interest expense	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-
Guarantees released	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-
Investment pledges made (No. of shares)	-	-	-	-	-	-	-	-	-
Share application money given	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-
Share application money received	-	-	-	-	-	-	-	-	-
Equity shares allotted	-	-	-	-	-	-	-	-	-
Balances outstanding									
Receivables/(Payables) - March 31, 2017	-	-	(289)	-	-	-	-	-	-
Receivables/(Payables) - March 31, 2016	-	-	(203)	-	-	-	-	-	-
Receivables/(Payables) - April 01, 2015	-	-	-	-	-	-	-	-	-
Corporate Guarantee- March 31, 2017	-	-	-	-	-	-	-	-	-
Corporate Guarantee- March 31, 2016	-	-	-	-	-	-	-	-	-
Corporate Guarantee- April 01, 2015	-	-	-	-	-	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2017	-	-	-	-	-	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2016	-	-	-	-	-	-	-	-	-
Pledge of Investment (no. of shares) - April 01, 2015	-	-	-	-	-	-	-	-	-

(a) Previous year figures are in parenthesis except for receivable/(payable) and financial asset/(liability) at year end (b) Refer note 38 for equity commitments. (c) * Pledge of 155,587,500 (March 31, 2016: 81,148,236) shares of GVK Energy Limited, 22,495,000 (March 31, 2016: 22,495,000) shares of GVK Transportation Private Limited and 48,000,000 (March 31, 2016: 48,000,000) shares of GVK Airport Developers Limited (d) Refer note 12 and 17 for security provided by subsidiaries for loans availed by the Company. (e) The advances/loans and guarantees have been provided to meet normal business needs of respective entity. (f) ** 5,117,647 (March 31, 2016: 78,204,963 0.001% compulsory Convertible Debentures of Rs. 100 each were converted into 1 (March 31, 2016: 307,869,478) fully paid-up equity share/(s).

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

54. Service concession arrangement

All the below service concession arrangement have been accounted under intangible asset model

GVKDKEPL

Description of the arrangement	Significant terms of the arrangement	
GVKDKEPL has entered into a Concession Agreement with National Highway Authority of India (NHAI) on May 17, 2010 pursuant where to, the NHAI has awarded to the GVKDKEPL the project of four laning of Deoli-Kota Section of National Highway No. 12 (NH -12) from Km 165.00 to Junction of NH -76 on Kota Bypass (approximately 83.04 Km) in the State of Rajasthan on Build, Operate and Transfer (BOT) basis, on design, build, finance, operate and transfer (DBFOT) Pattern under NHDP Phase III.	Period of concession:	January 5, 2011 to January 05, 2037 (Including 2.5 year construction period)
	Remuneration	GVKDKEPL has received the right to charge users a fee for using the toll road, which the GVKDKEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Nil
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to the GVKDKEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation
	Premium payable to grantor :	Rs 4,860 increasing by an additional 5% as compared to the immediately preceding previous year.

During the year, GVKDKEPL has recorded revenue of Rs 7,764, consisting of Rs 1,362 on construction and Rs 6,401 on operation of the toll road. The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the toll road.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

ii) GVKBVEPL

Description of the arrangement	Significant terms of the arrangement	
GVKBVEPL has entered into a Concession Agreement with Gujarat State Road Development Corporation Limited (GSRDC), a Government of Gujarat undertaking on February 21, 2011 pursuant where to, GSRDC has awarded to GVKBVEPL the project of six laning of Bagodara – Wataman – Tarapur – Vasad road on State Highway no.8 from km.0/0 to km 101/9 in the state of Gujarat on Build, Operate and Transfer (BOT) basis.	Period of concession:	November 11, 2011 to November 11, 2038
	Remuneration:	GVKBVEPL has received the right to charge users a fee for using the toll road, which the GVKBVEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Nil
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to the GVKBVEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation
	Premium payable to grantor :	Fee equal to 15.0192% of the total Realisable fee during that year; and for each subsequent year of the concession period, the premium shall be determined by increasing the proportion of premium to the total Realisable fee in the respective year by an additional 1 % as compared to the immediately preceding year.

During the year, GVKBVEPL has recorded revenue of Rs 39 on construction. The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the toll road.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

iii) GJEPL

Description of the arrangement	Significant terms of the arrangement	
GJEPL has entered into Concession Agreement dated 08th May 2002 with the National Highways Authority of India ("NHAI") for construction and Operation of 6 Lane Highway of 90.385 KM between Jaipur and Kishangarh on Build-Operate-Transfer ("BOT")	Period of concession:	20 years from the date of Financial Closure 17th March, 2003
	Remuneration:	GJEPL has received the right to charge users a fee for using the toll road, which the GJEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Rs 21,100 by way of equity support for meeting the total project cost
	Share of NHAI in Revenue	As per clause 7.2 of the concession agreement the concessionaire shall share with NHAI, any Fees that it actually receives in any Accounting Year which are in excess of the projected Fees for the Accounting Year commencing from the year in which Commercial Operations Date ("COD") shall occur, as set out in Schedule Y (the "Projected Fee") for such Accounting Year ("Excess Fee" / "Share of NHAI in Revenue").
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to the GJEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation

During the year, GJEPL has recorded revenue of Rs 30,196 on operation of the toll road.

Notes to the consolidated financial statements for the year ended March 31, 2017

(All amounts in INR lakhs, except share data and where otherwise stated)

55. MSME

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available with the Group, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, small and Medium Enterprises Development Act 2006" as at March 31, 2017, March 31, 2016 and April 01, 2015.

56. SBN

Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBN	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	176	16	193
(+) Permitted receipts	753	1,683	2,436
(-) Permitted payments	-	(10)	(10)
(-) Amount deposited in Banks	(929)	(1,557)	(2,487)
Cash withdrawn	-	-	-
Closing cash in hand as on December 30, 2016	-	132	132

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the November 8, 2016.

57. Standards issued but not yet effective

In March 2017, the ministry of corporate affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 102, 'Share-based payment,' and Ind AS 7 "Statement of Cash Flow". This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The Amendments is applicable to the Group from April 1, 2017.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards that include a net settlement feature in respect of withholding taxes.

The aforesaid amendment is not applicable to the Group.

Amendment to Ind AS 7

The Amendment to IND AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group has evaluated the disclosure requirement of the amendment and the effect on the consolidated financial statements is not expected to be material. These amendments does not have any recognition or measurement impact but requires additional disclosure to be given by the Group.

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered accountants

ICAI Firm registration number: 101049W/E300004

per **Vikas Kumar Pansari**

Partner

Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of

GVK Power & Infrastructure Limited

Dr. GVK Reddy

Chairman & Managing Director

DIN: 00005212

A Issac George

Director & CFO

DIN: 00005456

G V Sanjay Reddy

Director

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary



Departures

Flight	Time	Gate
AA 100	12:00	A1
AA 200	12:15	A2
AA 300	12:30	A3
AA 400	12:45	A4
AA 500	13:00	A5
AA 600	13:15	A6
AA 700	13:30	A7
AA 800	13:45	A8
AA 900	14:00	A9
AA 1000	14:15	A10
AA 1100	14:30	A11
AA 1200	14:45	A12
AA 1300	15:00	A13
AA 1400	15:15	A14
AA 1500	15:30	A15
AA 1600	15:45	A16
AA 1700	16:00	A17
AA 1800	16:15	A18
AA 1900	16:30	A19
AA 2000	16:45	A20
AA 2100	17:00	A21
AA 2200	17:15	A22
AA 2300	17:30	A23
AA 2400	17:45	A24
AA 2500	18:00	A25
AA 2600	18:15	A26
AA 2700	18:30	A27
AA 2800	18:45	A28
AA 2900	19:00	A29
AA 3000	19:15	A30

Departure Zone L

Flight	Time	Gate
AA 100	12:00	A1
AA 200	12:15	A2
AA 300	12:30	A3
AA 400	12:45	A4
AA 500	13:00	A5
AA 600	13:15	A6
AA 700	13:30	A7
AA 800	13:45	A8
AA 900	14:00	A9
AA 1000	14:15	A10
AA 1100	14:30	A11
AA 1200	14:45	A12
AA 1300	15:00	A13
AA 1400	15:15	A14
AA 1500	15:30	A15
AA 1600	15:45	A16
AA 1700	16:00	A17
AA 1800	16:15	A18
AA 1900	16:30	A19
AA 2000	16:45	A20
AA 2100	17:00	A21
AA 2200	17:15	A22
AA 2300	17:30	A23
AA 2400	17:45	A24
AA 2500	18:00	A25
AA 2600	18:15	A26
AA 2700	18:30	A27
AA 2800	18:45	A28
AA 2900	19:00	A29
AA 3000	19:15	A30

Departure 2

Flight	Time	Gate
AA 100	12:00	A1
AA 200	12:15	A2
AA 300	12:30	A3
AA 400	12:45	A4
AA 500	13:00	A5
AA 600	13:15	A6
AA 700	13:30	A7
AA 800	13:45	A8
AA 900	14:00	A9
AA 1000	14:15	A10
AA 1100	14:30	A11
AA 1200	14:45	A12
AA 1300	15:00	A13
AA 1400	15:15	A14
AA 1500	15:30	A15
AA 1600	15:45	A16
AA 1700	16:00	A17
AA 1800	16:15	A18
AA 1900	16:30	A19
AA 2000	16:45	A20
AA 2100	17:00	A21
AA 2200	17:15	A22
AA 2300	17:30	A23
AA 2400	17:45	A24
AA 2500	18:00	A25
AA 2600	18:15	A26
AA 2700	18:30	A27
AA 2800	18:45	A28
AA 2900	19:00	A29
AA 3000	19:15	A30

Independent Auditor's Report

To,
The Members of GVK Power & Infrastructure Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GVK Power & Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, and Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis for qualified opinion

As discussed more fully in Note 37 to the accompanying standalone Ind AS financial statements, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company of GVK Energy Limited, jointly controlled entity of the Company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against the carrying value of assets of Rs. 31,115 lakhs in books of GVK Coal (Tokisud) Private Limited. In the absence of sufficient appropriate audit evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying Ind AS financial statements. . Our audit report for previous year was also qualified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

- i. We draw attention to note 40 to the standalone Ind AS financial statements, regarding losses being incurred by the Company, defaults in loan and interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and/or has undertaken to provide financial assistance. However, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These Ind AS financial statements have been prepared on a going concern basis for the reasons stated in the said note.
- ii. We draw attention to note 39 to the standalone Ind AS financial statements, regarding material uncertainties being faced by subsidiaries and jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the Company, in which the Company has an investment of Rs. 108,323 lakhs as detailed below:
 - a. Uncertainty towards recovery of capacity charge and supplies/availability of natural gas to gas based power generating plants and power projects under construction of a subsidiary company and a jointly controlled entity of GVK Energy Limited.
 - b. Uncertainty towards availability of fuel and regulatory approvals faced by coal plant of subsidiary company of GVK Energy Limited.
 - c. Uncertainty towards determination of final tariff pending disposal of petitions for approval of extension of scheduled commercial operation date, approval of capital cost and other matters of hydro plant of a subsidiary company of GVK Energy Limited.
- iii. We draw attention to note 38 to the standalone Ind AS financial statements, the Company has made investments and has receivables aggregating to Rs. 51,815 lakhs and provided guarantees and commitments for loans amounting to Rs. 752,110 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017 and has undertaken to provide financial assistance of USD 46 million (Rs. 31,104 lakhs) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 2,119 million (Rs. 1,432,932 lakhs) as at June 30, 2016 and has incurred loss of USD 122 million (Rs. 83,017 lakhs) for the year ended June 30, 2016 based on unaudited financial statements, is witnessing material uncertainties. The Management believes that for reasons more fully stated in the note the entity would establish profitable operations and no adjustments is required to aforesaid investments, receivables, guarantees and commitments.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, restructuring of loans, obtaining additional funds, notification, legal interpretations, resolution of uncertainty around availability of gas and coal and coal prices, ability to establish profitable operations as referred to in the relevant notes to the standalone Ind AS financial statements referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the standalone Ind AS financial statements. Our opinion is not qualified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, 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;

- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matters described in Basis of qualified opinion paragraph, Emphasis of Matter paragraph and paragraph (viii) to statement on the matters specified in paragraph 3 and 4 of the Order above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 24 to the Ind AS financial statements;
 - ii. The Company did not have any material foreseeable losses in long term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and
 - iv. The Company has provided requisite disclosures in Note 44 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vikas Kumar Pansari**

Partner

Membership Number: 093649

Place of Signature: Hyderabad

Date: May 24, 2017

Annexure - 1 referred to in our report of even date

Re: GVK Power & Infrastructure Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company and, accordingly, the requirements under paragraph 3(vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the dues	Amount (Rs. Lakhs)	Period relates	Forum
The Finance Act, 1994	Service Tax	1,317	July 1, 2003 to March 31, 2014	Customs Excise & Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	169	April 1, 2014 to March 31, 2015	Commissioner of central excise and customs, Visakhapatnam II
Indian stamp Act, 1899	Stamp Duty	2,829	February 4, 2008	High Court of Andhra Pradesh
Income Tax Act, 1961	Income tax liability	10	Assessment Year 09-10	Commissioner of Income tax (Appeals) – Visakhapatnam
Income Tax Act, 1961	Income tax liability	279*	Assessment Year 10-11	Income tax Appellate Tribunal, Visakhapatnam
Income Tax Act, 1961	Income tax liability	11*	Assessment Year 11-12	Commissioner of Income tax (Appeals) – Visakhapatnam
Income Tax Act, 1961	Income tax liability	44*	Assessment Year 12-13	Commissioner of Income tax (Appeals) – Visakhapatnam

* Paid under protest/refund adjusted.

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company has delayed in repayment of dues to banks during the year. The Company did not have any outstanding dues in respect of a financial institution or to government during the year. The lender wise details are tabulated as under:

Particulars	Name of the Lender	Period	Amount in (Rs. Lakhs)	Delay in days
Interest on loans from banks	Axis Bank Limited	January 2016 to March 2016	691	61 to 149 days
Interest on loans from banks	Axis Bank Limited	April 2016 to August 2016	1,170	29 to 121 days
Interest on loans from banks	Axis Bank Limited	October 2016 to January 2017	802	27 to 87 days
Principal payment on loans from banks	Axis Bank Limited	April 2016 to August 2016	2,050	30 to 153 days
Principal payment on loans from banks	Axis Bank Limited	October 2016 to January 2017	2,460	28 to 90 days
Interest on loans from banks	Syndicate Bank Limited	August 2015 to December 2015	915	318 to 440 days
Interest on loans from banks	Syndicate Bank Limited	January 2016 to February 2017	2,523	21 to 415 days
Principal payment on loans from banks	Syndicate Bank Limited	August 2015	14,956	Unpaid as at March 31, 2017

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no managerial remuneration has been paid/ provided and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Vikas Kumar Pansari**
Partner
Membership Number: 093649

Place of Signature: Hyderabad
Date: May 24, 2017

Annexure-2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of GVK Power & Infrastructure Limited.

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

We have audited the internal financial controls over financial reporting of GVK Power & Infrastructure Limited ("the Company") as of March 31, 2017, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2017:

The Company's internal financial controls over use of assumptions for analysis of asset impairments were not operating effectively which could potentially result in the Company not recognising possible impairment losses.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of GVK Power & Infrastructure Limited which comprise the Balance Sheet as at March 31, 2017, related Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement for the year then ended, the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone Ind AS financial statements of GVK Power & Infrastructure Limited and this report affect our report dated May 24, 2017, which expressed a qualified opinion on those standalone Ind AS financial statements.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Vikas Kumar Pansari**

Partner

Membership Number: 093649

Place of Signature: Hyderabad

Date: May 24, 2017

Balance sheet as at March 31, 2017

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

	Notes	March 31, 2017	March 31, 2016	April 01, 2015
Assets				
Non-current assets				
Property, plant and equipment	3	48	63	79
Financial assets	4			
Investments	4A	214,365	189,283	195,908
Loans	4B	5	672	595
Others	4C	4,469	25,605	23,856
Non Current tax assets (net)	5	302	302	265
Other non-current assets	6	25	13	13
Deferred tax assets (net)	7	-	-	1
		219,214	215,938	220,717
Current assets				
Financial assets	8			
Investments	8A	872	105	37
Trade receivables	8B	916	732	375
Cash and cash equivalents	8C	16	89	891
Loans	8D	3,357	34,007	80,518
Others	8E	1,528	1,904	3,539
Other current assets	9	65	14	28
		6,754	36,851	85,388
Total		225,968	252,789	306,105
Equity and Liabilities				
Equity				
Equity share capital	10	15,792	15,792	15,792
Other equity		160,925	188,027	200,384
		176,717	203,819	216,176
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	11	-	13,951	-
Unearned financial guarantee income	12	5,574	7,846	9,092
		5,574	21,797	9,092
Current liabilities				
Financial liabilities	13			
Borrowings	13A	8,620	-	46,270
Trade payables	13B			
• Total outstanding dues of micro enterprises and small enterprises		-	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		433	293	236
Other financial liabilities	13C	30,890	25,347	33,974
Other current liabilities	14	28	10	36
Provisions	15	23	15	17
Current tax liabilities		3,683	1,508	304
		43,677	27,173	80,837
Total		225,968	252,789	306,105
Summary of significant accounting policies	2.2			

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm registration number: 101049W/E300004

Chartered accountants

per **Vikas Kumar Pansari**

Partner

Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of

GVK Power & Infrastructure Limited

Dr. GVK Reddy

Chairman & Managing Director

DIN: 00005212

A Issac George

Director & CFO

DIN: 00005456

G V Sanjay Reddy

Director

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Statement of profit and loss for the year ended March 31, 2017

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

	Notes	March 31, 2017	March 31, 2016
Income			
Revenue from operations	16	2,816	2,718
Other income	17	5,151	3,998
Total revenue		7,967	6,716
Expenses			
Employee benefit expenses	18	248	269
Other expenses	19	28,335	12,127
Depreciation	20	13	16
Finance costs	21	5,176	5,321
Total expenses		33,772	17,733
Loss before tax		(25,805)	(11,017)
Tax expense			
Current tax	22	1,296	1,339
Deferred tax expense		-	1
Total tax (income)/expense		1,296	1,340
Loss for the year		(27,101)	(12,357)
Other Comprehensive Income (OCI)			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on employee defined benefit plans		(1)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(1)	-
Other comprehensive income for the year, net of tax		(27,102)	(12,357)
Earnings per equity share:	23		
Basic earnings per share		(1.72)	(0.78)
Diluted earnings per share		(1.72)	(0.78)
Nominal value per equity share		1.00	1.00
Summary of significant accounting policies	2.2		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**

ICAI Firm registration number: 101049W/E300004

Chartered accountants

per **Vikas Kumar Pansari**

Partner

Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of

GVK Power & Infrastructure Limited

Dr. GVK Reddy

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DIN: 00005212

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Director & CFO

DIN: 00005456

G V Sanjay Reddy

Director

DIN: 00005282

P V Rama Seshu

AVP & Company Secretary

Cash flow statement for the year ended March 31, 2017

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

			March 31, 2017	March 31, 2016
1	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit before tax		(25,805)	(11,017)
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation and amortisation		13	16
	Loss on sale of fixed assets		1	-
	Advances and investments written off		5,174	10,161
	Fair value loss on debt instruments		22,498	1,421
	Gain on sale of investment (net)		(29)	(12)
	Unrealised foreign exchange (gain)/loss		19	(84)
	Interest expense		5,166	5,320
	Interest income on bank deposits		-	(22)
	Interest income on debt instruments		(2,318)	-
	Liabilities written back		(469)	(77)
	Notional commission on guarantees given to subsidiaries		(593)	(596)
	Operating Profit before Working Capital Changes		3,657	5,110
	Movements in working capital:			
	Increase in trade receivables		(184)	(357)
	Decrease/(increase) in other current/non current assets		1,493	(17)
	Increase/(decrease) in trade payables, current liabilities and provisions		(1,275)	(898)
	Cash Generated from Operations		3,691	3,838
	Direct taxes (paid)/refund received (net)		879	(172)
	Net Cash flow from Operating Activities	(A)	4,570	3,666
2	CASH FLOW USED IN INVESTING ACTIVITIES			
	Purchase of current investments		(1,337)	(796)
	Proceeds of current investments		599	740
	Proceeds from sale of non-current investments		19,976	-
	Investments in subsidiaries/related party including share application money		(52,556)	(2,984)
	Loans made to subsidiaries/related party		(43,467)	(37,338)
	Proceeds from sale of fixed assets		1	-
	Loans/Share application repaid by subsidiaries/related party*		76,862	33,954
	Interest received		3	22
	Net Cash flow used in Investing Activities	(B)	81	(6,402)
3	CASH FLOW USED IN FINANCING ACTIVITIES			
	Proceeds from long term borrowings		-	18,534
	Repayment of long term borrowings		(6,488)	(16,679)
	Proceeds from short term borrowings (net)*		8,620	3,610
	Interest paid		(6,856)	(3,531)
	Net Cash flow from/(used in) Financing Activities	(C)	(4,724)	1,934
	Net Increase in Cash and Cash Equivalents	(A+B+C)	(73)	(802)
	Cash and Cash Equivalents at the beginning of the year		89	891
	Cash and Cash Equivalents at the end of the year		16	89

		March 31, 2017	March 31, 2016
Components of cash and cash equivalents			
Balance with banks:			
Current accounts		16	89
Cash and bank balances as per balance sheet		16	89
Total cash and cash equivalents (refer note 18)		16	89
* During the year ended March 31, 2016, short-term borrowing of Rs. 49,880 has been transferred to a subsidiary company. This has been considered as a Non-cash item for the purpose of Cashflow Statement.			
Summary of significant accounting policies	2.2		

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

As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

Place: Hyderabad

Date: May 24, 2017

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. GVK Reddy
Chairman & Managing Director
DIN: 00005212

A Issac George
Director & CFO
DIN: 00005456

G V Sanjay Reddy
Director
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary

Statement of Changes in Equity for year ended March 31, 2017

a) Equity share capital

Equity shares of INR 1 each issued, subscribed and fully paid	No.	Rs. In Lakhs
As at April 01, 2015	1,579,210,400	15,792
Issued during the year	-	-
At March 31, 2016	1,579,210,400	15,792
Issued during the year	-	-
At March 31, 2017	1,579,210,400	15,792

b) Other Equity

	Attributable to the equity holders of the parent					Total Equity
	Reserves and Surplus			Other equity	Items of OCI	
	Retained Earnings	Securities premium	General reserve	Loss on sale of treasury shares	FVTOCI	
As at April 01, 2015	(15,679)	215,935	127	-	1	200,384
Add: Loss for the year	(12,357)	-	-	-	-	(12,357)
At March 31, 2016	(28,036)	215,935	127	-	1	188,027
Add: Re-measurement losses on employee defined benefit plans	-	-	-	-	(1)	(1)
Add: Loss for the year	(27,101)	-	-	-	-	(27,101)
At March 31, 2017	(55,137)	215,935	127	-	(0)	160,925

Notes to financial statements for the year ended March 31, 2017

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

1 Corporate information

GVK Power & Infrastructure Limited ('the Company' or 'GVKPIL') provides operation and maintenance services, manpower and consultancy services and incidental services to owners of power plants, airports etc. The Company has also acquired substantial ownership interest into power companies, airports, roads and companies providing infrastructure facilities. The registered office of the company is located at 'Paigah House', 156-159 Sardar Patel Road Secunderabad, Telangana-500003.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 24, 2017.

2. Statement of significant accounting policies

2.1 Basis of preparation

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

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP"). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 33 for information on how the Company adopted Ind AS. The financial statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The financial statements are presented in INR and all values are rounded to the nearest rupees lakhs, except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

"A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign currencies

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(c) Fair value measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Notes to financial statements for the year ended March 31, 2017

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

Sale of services

Rendering of operation and maintenance services:

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in accordance with the Operation and Maintenance agreement with its customer. As per the operations and maintenance agreements, the Company's income comprises of (a) Operating fees (b) Incentive fees and (c) Reimbursement of actual expenses. Operating fees are fixed per annum subject to escalations. The Company is also eligible to receive incentive fees, if the Actual Annual Availability and/or if the actual generation of power are higher than the defined levels.

Manpower and consultancy services:

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Guarantee commission

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

(e) Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to financial statements for the year ended March 31, 2017

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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 taxes relate to the same taxable entity and the same taxation authority.

(f) Property, plant and equipment

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

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

Depreciation is calculated on a straight-line basis on useful lives estimated by the management.

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

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

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

The Company has not entered any transactions as a lessor.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes to financial statements for the year ended March 31, 2017

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

(i) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

(j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- “-Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(k) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Notes to financial statements for the year ended March 31, 2017

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost.
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

Impairment of financial assets

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there

Notes to financial statements for the year ended March 31, 2017

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. In the balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Loans and borrowings

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

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

This category generally applies to borrowings. For more information refer note 11 and 13.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Notes to financial statements for the year ended March 31, 2017

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

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

(I) Cash and cash equivalents

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

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

3. Property, plant and equipment

	Furniture and fittings	Office equipment	Vehicles	Data processing equipment	Total
At Cost					
At April 1, 2015 (At deemed cost - Refer Note 33)	1	2	75	1	79
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
At March 31, 2016	1	2	75	1	79
Additions	-	-	-	-	-
Deletions	-	-	3	-	3
At March 31, 2017	1	2	72	1	76
Depreciation					
At April 1, 2015	-	-	-	-	-
Charge for the year	1	1	14	-	16
Deletions	-	-	-	-	-
At March 31, 2016	1	1	14	-	16
Charge for the year	-	1	12	-	13
Deletions	-	-	1	-	1
At March 31, 2017	1	2	25	-	28
Net Block					
At April 1, 2015	1	2	75	1	79
At March 31, 2016	-	1	61	1	63
At March 31, 2017	-	-	47	1	48

Notes: Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil. (March 31, 2016: Rs. Nil, April 01, 2015: Rs. Nil)

Notes to financial statements for the year ended March 31, 2017

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

4. Non-current Financial Assets**a. Investments**

	March 31, 2017	March 31, 2016	April 01, 2015
a. Unquoted, in fully paid equity shares (at cost)			
In subsidiaries			
300,000,000 (March 31, 2016: 300,000,000 ; April 1, 2015: 300,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	30,000	30,000	30,000
37,700,000 (March 31, 2016: 37,700,000; April 1, 2015: 37,700,000) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	3,770	3,770	3,770
10,000 (March 31, 2016: 10,000; April 1, 2015: 10,000) equity shares of Rs.10 each fully paid-up in Goriganga Hydro Power Private Limited	1	1	1
10,000 (March 31, 2016: 10,000; April 1, 2015: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1	1
50,000 (March 31, 2016: 50,000; April 1, 2015: 50,000) equity shares of Rs.10 each fully paid-up in GVK Oil & Gas Limited (note 41) (net of write-off of Rs. 5 (March 31, 2016: Rs. 5, April 1, 2015: Nil) for permanent diminution in the value of investment)	-	-	5
10,000 (March 31, 2016: 10,000; April 1, 2015: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	1	1	1
190,000 (March 31, 2016: 10,000 ; April 1, 2015: Nil) equity shares of Rs.10 each fully paid-up in GVK Airport Services Private Limited	19	1	-
In joint venture			
557,869,479 (March 31, 2016: 557,869,478 ; April 1, 2015: 250,000,000) equity shares of Rs.10 each fully paid-up in GVK Energy Limited (note 39)	108,323	103,205	25,000
Share application money given to subsidiaries			
GVK Perambalur SEZ Private Limited	4,999	4,999	4,999
GVK Developmental Projects Pvt Ltd	1	1	1
GVK Airport Services Private Limited	-	-	1
A	147,115	141,979	63,779
b. Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)			
In subsidiaries			
59,200 (March 31, 2016: 59,200; April 1, 2015: 59,200) non-cumulative redeemable preferential shares of Rs. 10,000 each fully paid-up in GVK Airport Developers Limited	2,426	1,794	1,564
B	2,426	1,794	1,564
c. Unquoted, in fully paid equity shares (at fair value) and preference shares (at amortised cost)			
In others			
50,000 (March 31, 2016: 50,000; April 1, 2015: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers Singapore PTE Limited (note 38)	25	25	25
76,127,540 (March 31, 2016: 35,000,000; April 1, 2015: Nil) non-cumulative redeemable preferential shares of USD 1 each fully paid-up in GVK Coal Singapore PTE Limited (note 38)	28,240	12,121	-
Share application money for purchase of non-cumulative redeemable preferential shares of USD 1 each (at amortised cost)			
GVK Coal Singapore PTE Limited (note 38)	23,194	7,633	17,030
C	51,459	19,779	17,055

Notes to financial statements for the year ended March 31, 2017

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

	March 31, 2017	March 31, 2016	April 01, 2015
d. Loan given to subsidiaries classified as equity (at cost)			
Goriganga Hydro Power Private Limited	-	4,771	4,767
GVK Oil & Gas Limited	3	-	10,156
GVK Perambalur SEZ Private Limited	4,251	6,732	6,719
Unquoted, in fully paid compulsory convertible debentures (at cost)			
Nil (March 31, 2016: Nil; April 1, 2015: 78,204,963) 0.001% compulsory convertible debentures of Rs.100 each fully paid up in GVK Energy Limited (note 39)	-	-	78,205
D	4,254	11,503	99,847
e. Deemed investment in subsidiaries			
GVK Transportation Private Limited	946	946	946
GVK Airport Developers Limited	5,466	5,466	5,315
GVK Jaipur Expressway Private Limited	2,284	2,284	2,284
GVK Ratle Hydro Electric Project Private Limited	414	414	-
Unquoted, in fully paid compulsory convertible debentures (at cost)			
Nil (March 31, 2016: 5,117,647; April 1, 2015: 5,117,647) 0.001% compulsory convertible debentures of Rs.100 each fully paid up in GVK Energy Limited (note 39)	-	5,118	5,118
E	9,110	14,228	13,663
Aggregate value of unquoted investments (A+B+C+D+E)	214,365	189,283	195,908

b. Loans (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
- Interest free loans to others (net of expected credit loss)	-	666	589
- Security deposits	5	6	6
Total	5	672	595

c. Others (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
Guarantee commission receivable	2,704	2,771	-
Unbilled revenues	38	31	33
Financial guarantee assets	1,727	2,827	3,847
Receivable for sale of investment	-	19,976	19,976
Total	4,469	25,605	23,856

5. Non current tax assets (net)

	March 31, 2017	March 31, 2016	April 01, 2015
Advance income-tax (net of provision for taxation)	302	302	265
Total	302	302	265

6. Other non-current assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
Balance with government authorities	25	13	13
Total	25	13	13

Notes to financial statements for the year ended March 31, 2017

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

7. Deferred tax assets (net)

	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liability	-	4	5
- Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment			
	-	4	5
Deferred tax asset			6
Impact of expenditure charged to the statement of Profit and Loss in the current year but allowed for tax purposes on payment basis			
- Provision for employee benefits	-	4	
	-	4	6
Deferred tax assets (Net)	-	-	1

8. Current Financial Assets**a. Investments**

	March 31, 2017	March 31, 2016	April 01, 2015
Quoted mutual funds at fair value through statement of profit and loss			
Nil (March 31, 2016: 209,686; April 1, 2015: 209,686) units of Rs. 10 each fully paid-up of LIC Nomura MF Interval Fund – Growth plan	-	39	37
3,729,922 (March 31, 2016: 325,072; April 1, 2015: Nil) units of Rs. 10 each fully paid-up of Franklin India Ultra Short Bond Fund – Super Institutional Growth plan	830	66	-
167,174 (March 31, 2016: Nil ; April 1, 2015: Nil) units of Rs. 10 each fully paid-up of LIC MF Savings Plus Fund - Regular Growth Plan Short term Growth plan	42	-	-
Aggregate value of quoted investments	872	105	37
Aggregate market value of quoted investments	872	105	37

b. Trade receivables

	March 31, 2017	March 31, 2016	April 01, 2015
(Unsecured, considered good unless stated otherwise)			
Receivables from related parties (note 28)	916	732	375
Total	916	732	375

Trade receivables are non-interest bearing and are generally on terms of less than 1 year.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

c. Cash and cash equivalents

	March 31, 2017	March 31, 2016	April 01, 2015
Balance with banks:			
- On current accounts	16	89	891
Total	16	89	891

d. Loans (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
Interest free loans to related parties payable on demand	3,357	34,007	80,518
Total	3,357	34,007	80,518

Notes to financial statements for the year ended March 31, 2017

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

e. Other financial assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
Guarantee commission receivable	27	22	1,714
Interest accrued on deposits	-	3	3
Unbilled revenues	-	4	2
Financial guarantee assets	1,501	1,875	1,820
Total	1,528	1,904	3,539

Break up of financial assets carried at amortised cost

	March 31, 2017	March 31, 2016	April 01, 2015
Investments	53,860	21,548	18,594
Loans	3,362	34,679	81,113
Trade receivables	916	732	375
Cash and cash equivalents	16	89	891
Other financial assets	5,997	27,509	27,395
Total	64,151	84,557	128,368

Break up of financial assets carried at fair value through statement of profit and loss (P&L)

	March 31, 2017	March 31, 2016	April 01, 2015
Current investments	872	105	37
Non Current investments	25	25	25
Total financial assets carried at fair value through P&L	872	105	37

9. Other current assets (Unsecured, considered good unless stated otherwise)

	March 31, 2017	March 31, 2016	April 01, 2015
Advances to suppliers	46	4	6
Prepayments	17	7	18
Retirement benefits (note 25)	2	3	4
Total	65	14	28

10. Equity share capital

	March 31, 2017	March 31, 2016	April 01, 2015
Authorised Share Capital			
2,500,000,000 (March 31, 2016: 2,500,000,000; April 01, 2015: 2,500,000,000) equity shares of Rs. 1 each	25,000	25,000	25,000
Issued, subscribed and fully paid-up share capital			
1,579,210,400 (March 31, 2016: 1,579,210,400 April 01, 2015: 1,579,210,400) equity shares of Rs. 1 each	15,792	15,792	15,792

a.Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016		March 31, 2015	
	No.	Amount	No.	Amount	No.	Amount
Equity shares of Rs. 10 each fully paid up						
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	1,579,210,400	15,792	1,579,210,400	15,792	1,579,210,400	15,792

Notes to financial statements for the year ended March 31, 2017

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

b. Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	March 31, 2017		March 31, 2016		March 31, 2015	
	No.	% of holding	No.	% of holding	No.	% of holding
G. Indira Krishna Reddy	30,958,857	1.96%	28,622,290	1.81%	230,340,730	14.59%
G. V. Sanjay Reddy	55,725,951	3.53%	56,400,154	3.57%	154,334,480	9.77%
Vertex Infratech Private Limited	732,893,902	46.41%	596,306,435	37.76%	140,632,430	8.91%
Krishnaram Bhupal	37,150,630	2.35%	25,133,435	1.59%	118,155,990	7.48%
HSBC Global Investment Funds	57,135,461	3.62%	63,605,482	4.03%	110,428,344	6.99%

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

Non-current Financial liabilities**11. Borrowings**

	Non-current portion			Current maturities		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
From Banks (Secured)						
Indian rupee loans	-	13,951	-	28,761	21,106	31,631
	-	13,951	-	28,761	21,106	31,631
Amount disclosed under the head "Other current liabilities" (refer note 13C)	-	-	-	(28,761)	(21,106)	(31,631)
	-	13,951	-	-	-	-
The above amount includes:						
Secured borrowings	-	13,951	-	-	-	-
Unsecured borrowings	-	-	-	-	-	-

a) Term loan aggregating to Rs. 13,805 is secured by first pari-passu charge on the current assets, present and future of the Company and pledge of 299,000 preference shares of GVK Airport Developers Limited out of which 239,800 preference shares are held by Sutara Roads & Infra Limited. The loan is further secured by subservient mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.33% per annum. The loan is repayable in twenty four unequal monthly instalments after a moratorium of twelve months from the date of first drawdown viz. April 30, 2016 (Refer note 32).

b) Term loan aggregating to Rs. 14,956 is secured by mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 13.27% per annum. The loan is repayable after a period of 35 months from the date of first drawdown viz. August 27, 2015 (Refer note 32).

12. Unearned financial guarantee income

	March 31, 2017	March 31, 2016	April 01, 2015
Unearned guarantee commission income on financial guarantees given to related parties	5,574	7,846	9,092
Total	5,574	7,846	9,092

Notes to financial statements for the year ended March 31, 2017

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

13. Current Financial Liabilities

a. Borrowings

	March 31, 2017	March 31, 2016	April 01, 2015
Interest free loans from related parties repayable on demand (note 28) (unsecured)	8,620	-	-
Loans from banks (secured)	-	-	42,880
18% Inter-corporate deposit (unsecured)	-	-	3,390
Total	8,620	-	46,270
The above amount includes			
Secured borrowings	-	-	42,880
Unsecured borrowings	8,620	-	3,390
Total	8,620	-	46,270

Term loan aggregating to Rs. Nil (March 31, 2016: Rs. Nil, April 01, 2015: Rs. 42,880) carried an interest of 11.50% per annum and was secured by (i) charge on loans and advances of the Company to GVK Airport Developers Limited ("GVKADL") and also loans and advances provided by GVKADL to GVK Airport Holdings Private Limited ("GVKAHPL") and Bangalore Airport & Infrastructure Developer Private Limited ("BAIDPL"); (ii) exclusive charge on shares of GVKADL to the extent of two times of facility amount; (iii) exclusive charge on shares of GVKAHPL and BAIDPL not exceeding 30% of the shares of the Companies and the no. of shares to be pledged would be in proportion to the lenders at GVKADL; (iv) first pari passu charge on Himayatsagar and Paigah House property, Hyderabad; (v) second pari passu charge on land of 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited; (vii) proportionate proceeds of liquidity event at GVKADL, GVK AHPL and BAIDPL and (viii) charge on shares of GVKADL, GVK AHPL and BAIDPL along with HDFC and SREI or any other future lender representing at least 61% of the paid up share capital of the Company.

b. Trade payables

	March 31, 2017	March 31, 2016	April 01, 2015
- Outstanding dues to micro enterprises and small enterprises (refer note 26)	-	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises	433	293	236
Total	433	293	236

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

c. Other financial liabilities

	March 31, 2017	March 31, 2016	April 01, 2015
Current maturities of long-term borrowings (refer note 11)	28,761	21,106	31,631
Interest accrued but not due on borrowings	282	430	557
Interest accrued and due on borrowings	-	1,734	-
Unearned guarantee commission income on financial guarantees given to related parties	1,847	2,077	1,786
Total	30,890	25,347	33,974

Breakup of financial liabilities carried at amortised cost

	March 31, 2017	March 31, 2016	April 01, 2015
Non current borrowings	-	13,951	-
Current maturities of non current borrowings	28,761	21,106	31,631
Short term borrowings	8,620	-	46,270
Trade Payables	433	293	236
Interest accrued but not due on borrowings	282	430	557
Interest accrued and due on borrowings	-	1,734	-
Unearned financial guarantee income	7,421	9,923	10,878
Total financial liabilities carried at amortised cost	45,517	47,437	89,572

Notes to financial statements for the year ended March 31, 2017

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

14. Other current liabilities

	March 31, 2017	March 31, 2016	April 01, 2015
Statutory liabilities	28	10	36
Total	28	10	36

15. Provisions

	March 31, 2017	March 31, 2016	April 01, 2015
Provision for compensated absences	23	15	17
Total	23	15	17

16. Revenue from operations

	March 31, 2017	March 31, 2016
Revenue from operations		
Sale of services		
- Operation and maintenance services	1,562	1,463
- Manpower and consultancy services	1,254	1,255
Total	2,816	2,718

17. Other income

	March 31, 2017	March 31, 2016
Income from current investments	29	12
Guarantee commission	1,852	1,870
Interest on		
Bank deposits	-	22
Financial guarantees and debt instruments	2,801	2,017
Excess provision written back	-	77
Unearned guarantee commission written back	469	-
Total	5,151	3,998

18. Employee benefit expenses

	March 31, 2017	March 31, 2016
Salaries, wages and bonus	219	237
Contribution to provident and other funds	13	13
Retirement and other employee benefit expense	5	6
Staff welfare expenses	11	13
Total	248	269

Notes to financial statements for the year ended March 31, 2017

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

19. Other expenses

	March 31, 2017	March 31, 2016
Rent (refer note 24)	12	11
Communication costs	43	31
Travelling and conveyance	39	42
Operating and maintenance expenses	109	100
Repairs and maintenance- others	11	16
Legal and professional charges	107	26
Rates and taxes	84	91
Printing and stationery	41	40
Insurance	6	6
Remuneration to statutory auditors (refer note below)	20	19
Directors' sitting fees	8	12
Expenses for manpower	150	137
Loss on sale of assets	1	-
Advances and investments written off	5,174	10,161
Foreign exchange loss	19	-
Miscellaneous expenses	13	14
Fair value loss on investments	22,498	1,421
Total	28,335	12,127

Payment to auditor (including service tax)

	March 31, 2017	March 31, 2016
As auditor:		
Audit fee	13	13
Limited review	5	5
In other capacity:		
Other services	1	-
Reimbursement of expenses	1	1
Total	20	19

20. Depreciation

	March 31, 2017	March 31, 2016
Depreciation of tangible assets	13	16
Total	13	16

21. Finance costs

	March 31, 2017	March 31, 2016
Interest expense	5,166	5,320
Bank charges	10	1
Total	5,176	5,321

22. Taxes

a. Income tax expense:

The major components of income tax expenses for the year ended March 31, 2017 and for the year ended March 31, 2016 are as follows:

Profit or loss section

Particulars	March 31, 2017	March 31, 2016
Current tax	1,296	1,339
Deferred tax expense	-	1
Total income tax expense recognised in statement of Profit & Loss	1,296	1,340

Notes to financial statements for the year ended March 31, 2017

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

b. Reconciliation of effective tax rate

Particulars	March 31, 2017	March 31, 2016
Loss before tax	(25,805)	(11,017)
Enacted tax rates in India	34.608%	34.608%
Computed expected tax expenses	(8,931)	(3,813)
Effect of non-deductible expenses:		
Advances and investments written off	5,174	10,161
Fair value loss on Investments	22,498	1,421
Finance cost	5,176	5,321
Others	-	3
Effect of non-taxable incomes:		
Interest on financial guarantees and debt instruments	(2,801)	(2,017)
Unearned guarantee comission written back	(469)	-
Others	(27)	-
Effect of non-deductible expenses (net)	29,551	14,889
Tax effect on the above	10,227	5,153
Net current tax expense recognised in statement of Profit & Loss (E = C+D)	1,296	1,340

23. Earning per equity share

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year. There are no potentially dilutive equity shares in the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2017	March 31, 2016
Profit after taxation considered for calculation of basic and diluted earnings per share	(27,101)	(12,357)
Weighted average number of Equity Shares considered for calculation of basic and diluted earnings per share	1,579,210,400	1,579,210,400
Earnings per share		
- Basic and diluted	(1.72)	(0.78)

24. Commitments and Contingencies**A. Leases****a. Operating lease commitments - Company as lessee**

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties. The Company has not entered into any non-cancellable leases.

There is no escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognised in the Statement of Profit and Loss is Rs. 12 (March 31, 2016: Rs. 11).

The Company has not recognised any contingent rent as expense in the Statement of Profit and Loss.

B. Capital and other commitments

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
i) Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil	Nil

ii) Other Commitments

a) The Company has outstanding equity commitments to fund subsidiaries under construction stage aggregating to Rs. 114,910 (March 31, 2016: Rs. 133,802; April 01, 2015: Rs. 146,614)

Notes to financial statements for the year ended March 31, 2017

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

- b) The company has given undertaking to infuse equity aggregating to Rs. 383,576 (March 31, 2016: Rs. 392,416; April 01, 2015: Rs. 333,258) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 155,587,500 (March 31, 2016: 81,148,236; April 01, 2015: 81,148,236), 22,495,000 (March 31, 2016: 22,495,000; April 01, 2015: 22,495,000) and 48,000,000 (March 31, 2016: 48,000,000; April 01, 2015: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Private Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an entity in which Company has 10% stake. Management believes that GVK Coal Developers (Singapore) Pte. Limited will be able to meet its obligations.
- c) During the year ended March 31, 2011, the Company, GVK Energy Limited (jointly controlled entity) and certain private equity investors ('investors') had entered into an investment agreement pursuant to which the Company has undertaken to conduct an initial public offering of the GVK Energy Limited's equity shares ('Qualified IPO' or 'QIPO') within 72 months from the date of investment agreement (preferred listing period). If the GVK Energy Limited does not make a QIPO during the preferred listing period and no offer for sale or demerger takes place within 12 months of the preferred listing period, then, at any time thereafter, the investors will have a put option with respect to all of the securities held by the Investor ("Put Right") on the Company and the GVK Energy Limited at the higher of i) 20% IRR from the date of investment to the date of receipt of proceeds from the investor ("Put IRR") and ii) the fair market value of the investor's shares. Provided the Put IRR shall be reduced to 15%, if at least 3 private sector initial public offerings with an issue size of Rs.100,000 or more each have not taken place in India between the 48th month to the 72nd month from date of investment agreement.

The Company based on legal advice believes that the put option with guaranteed return is not enforceable/subject to the regulations of Reserve Bank of India and hence no liability towards the same has been accounted in the financial statements.

C. Contingent liabilities

Direct and indirect taxes

- (i) Income tax demand for assessment year 2008-09 for Rs. Nil (March 31, 2016: Rs. 73; April 01, 2015: Rs. 73), for assessment year 2009-10 Rs. 10 (March 31, 2016: Rs. 10; April 01, 2015: Rs. 10), for assessment year 2010-11 for Rs. 279 (March 31, 2016: Rs. 279; April 01, 2015: Rs. 279), for assessment year 2011-12 for Rs. 11 (March 31, 2016: Rs. 11; April 01, 2015: Rs. 11) and for assessment year 2012-13 Rs. 44 (March 31, 2016: Rs. 44; April 01, 2015: Rs. 44).
- ii) The Company had received a notice dated February 4, 2008 from the Office of the District Registrar of Assurances, Hyderabad demanding payment of stamp duties of Rs. 2,829 on transfer of shares to the shareholders of GVK Industries Limited vide the scheme of arrangement approved by the Andhra Pradesh High Court. The Company has obtained an order from the Andhra Pradesh High Court staying the above notice on March 13, 2008 until such further orders from the said court. Management based on its internal assessment and/or legal advice is confident that the cases will be decided in the Company's favour.

Security against loan taken by others

- i) The Company had provided security by way of pledge of 251,999,900 (March 31, 2016: 183,000,000; April 01, 2015: 183,000,000) shares of GVK Airport Developers Limited for loans taken by the aforesaid subsidiary.
- (ii) The Company had provided security by way of pledge of 230,960,770 (March 31, 2016: 230,960,770; April 01, 2015: 87,910,588) shares of GVK Energy Limited for loans taken by the aforesaid jointly controlled entity.
- (iii) The Company has provided security by way of corporate guarantees amounting to Rs 162,538 (March 31, 2016: Rs. 254,295; April 01, 2015: Rs. 227,919) to subsidiaries and Rs. 1,441 to an associate (March 31, 2016: Rs. 1,441; April 01, 2015: Rs. 1,441) for various fund and nonfund based facility availed by them.
- (iv) The Company has provided security by way of corporate guarantees amounting to Rs. Nil (March 31, 2016: Rs. 2,006; April 01, 2015: Rs. 3,941) for securing loans obtained by GVK Projects and Technical Services Limited.
- (v) The Company has provided security by way of guarantee amounting to Rs. 368,534 (March 31, 2016: Rs. 377,027; April 01, 2015: Rs. 320,189) for securing loans obtained by GVK Coal Developers (Singapore) Pte Limited.

Management is of the opinion that the aforesaid companies will be able to meet their obligations as they arise and consequently no adjustment is required to be made to the carrying value of the security and guarantees provided.

Notes to financial statements for the year ended March 31, 2017

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

25. Employee benefits**A) Defined contribution plan**

Particulars	March 31, 2017	March 31, 2016
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	13	13

B) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Net employee benefit expense (included under employee benefit expenses)

Particulars	March 31, 2017	March 31, 2016
Current Service Cost	3	4
Net Interest Cost	2	2
Net employee benefit expenses	5	6

ii) Amount recognised in the Balance Sheet

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Defined benefit obligation	31	28	24
Fair value of plan assets	33	31	28
Net Plan Liability/(Asset)	(2)	(3)	(4)

iii) Changes in the present value of the defined benefit obligation for Gratuity are as follows

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Opening defined benefit obligation	28	24	18
Current service cost	3	4	3
Interest cost	2	2	2
Benefits paid	(3)	(3)	(1)
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	1	1	2
Closing defined benefit obligation	31	28	24

iv) Changes in fair value of plan assets

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Opening fair value of plan assets	31	28	25
Expected return	2	2	2
Actuarial Gain/(Loss) on plan assets for the year recognised under OCI	0	1	2
Closing fair value of plan assets	33	31	28

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Scheme of Insurance- Conventional products	100%	100%	100%

Notes to financial statements for the year ended March 31, 2017

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

v) Amount recognised in statement of other comprehensive income (OCI):

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Opening amount recognised in OCI	1	1	1
Remeasurement for the year - Obligation gain/(loss)	(1)	-	-
Remeasurement for the year - plan assets gain/(loss)	-	-	-
Total remeasurement credit for the year recognised in OCI	(1)	-	-
Closing amount recognised in OCI	(0)	1	1

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate	7.20%	7.80%	7.80%
Expected rate of return on assets	7.00%	7.00%	7.00%
Salary rise	7.00%	7.00%	7.00%
Attrition Rate	5.00%	5.00%	7.00%

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
3. The Company expects to contribute Rs. 1 to gratuity in the next year (March 31, 2016: Rs. 1)

Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

Year ending	March 31, 2017	March 31, 2016
Within next 12 months (next annual reporting period)	2	2
Between 2 and 5 years	12	13
Beyond 5 years	28	22

The average duration of the defined benefit plan obligation at the end of the reporting year is 10 (March 31, 2016: 10 and April 01, 2015: 10)

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	March 31, 2017	March 31, 2016
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(2)	(2)
- 1% decrease	3	2
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	2	2
- 1% decrease	(2)	(2)
(c) Effect of 1% change in assumed employee attrition rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)

26. Micro, small and medium enterprises

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on March 31, 2017, March 31, 2016 or April 01, 2015.

27. In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2017; March 31, 2016 (April 01, 2015: Rs. Nil)

Notes to financial statements for the year ended March 31, 2017

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

28. Related Parties

(a) Related parties where control exists

GVK Jaipur Expressway Private Limited
 GVK Airport Developers Limited (GVKADL)
 GVK Coal (Tokisud) Company Private Limited
 Goriganga Hydro Power Private Limited
 GVK Perambalur SEZ Private Limited
 GVK Oil & Gas Limited
 GVK Developmental Projects Private Limited
 GVK Airport Holdings Private Limited (GVKAHPL)
 PT.GVK Services, Indonesia.
 GVK Transportation Private Limited
 GVK Ratle Hydro Electrical Projects Private Limited
 GVK Energy Venture Private Limited
 GVK Bagodara Vasad Expressway Private Limited
 GVK Deoli Kota Expressway Private Ltd
 Bangalore Airport & Infrastructure Developers Private Limited
 Mumbai International Airport Private Limited
 GVK Power (Khadur Sahib) Private Limited
 GVK Airports International Pte Ltd
 GVK Airport Services Private Limited
 Sutara Roads & Infra Limited
 GVK Shivpuri Dewas Expressway Private Limited

(b) Related parties where joint control exists

GVK Energy Limited
 GVK Industries Limited
 Alaknanda Hydro Power Company Limited
 GVK Power (Goindwal Sahib) Limited
 GVK Gautami Power Limited

(c) Associates

Seregraha Mines Limited
 Bangalore International Airport Limited

(d) Key management personnel

Dr. GVK Reddy - Chairman and Managing director
 Mr. G V Sanjay Reddy - Director
 Mr A Issac George - Director
 Mr Krishna Ram Bhupal - Director
 Mr S Balasubramanian - Director
 Mr S Anwar - Director
 Mr Santha K John - Director
 Mr K Balarama Reddi - Director
 Mr CH G Krishna Murthy - Director

(e) Enterprises over which the key management personnel exercise significant influence

Taj GVK Hotels & Resorts Limited
 Orbit Travels & Tours Private Limited
 GVK Technical & Consultancy Services Private Limited
 Pinakini Share and Stock Broker Limited
 GVK Employee Welfare Trust
 GVK Projects and Technical Services Limited
 GVK Coal Developers (Singapore) Pte Ltd

Notes to financial statements for the year ended March 31, 2017

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

Details of related party transactions during the year

Particulars	GVK Industries Limited	GVK Gautami Power Limited	Mumbai International Airport Private Limited	GVK Jaipur Expressway Private Limited	GVK Bagodara Vasad Expressway Private Limited	Alakananda Hydro Power Company Limited	Gori-ganga Hydro Power Private Limited	GVK Power (Goindwal Sahib) Limited	GVK Airport Developers Limited	GVK Ratle Hydro Electric Project Private Limited
Fees for services rendered (including service tax and corporate guarantee commission income)										
	-	1,150	1,442	224	-	-	-	-	116	102
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back	-	(1,046)	(1,432)	(216)	-	-	-	-	(118)	(102)
	-	-	-	-	-	-	-	-	1,101	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	-	-	-	-	(230)	-
	-	412	-	-	-	-	-	-	-	-
Services received	-	(415)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investment in equity/ preference shares	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Loans/advances given/expenditure incurred on behalf	-	-	-	-	-	-	-	-	-	-
	2	-	12	103	0	2	76	0	19,087	0
Loans/advances recovered	(6)	-	(40)	(1)	(1)	-	(4)	(6)	(27,623)	(0)
	6	-	-	22	-	-	-	-	47,617	0
Share application money given	-	-	-	(3)	-	-	-	(0)	(75,372)	-
	-	-	-	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	7,916	-
Guarantees released	-	-	-	-	-	-	-	-	(13,151)	(26,472)
	-	-	-	7,537	-	-	-	-	51,440	-
Investments pledges made (no. of shares)	-	-	-	(6,157)	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	68,999,900	-
Investments unpledges (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investment pledges received (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Advances and Investments written off/Fair value loss	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	4,847	-	-	-
Deemed investment made on account of corporate guarantee	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(151)	(414)
Loan taken	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Balances outstanding										
Receivables/(Payables) - March 31, 2017										
Receivables/(Payables) - March 31, 2016	137	730	223	(995)	5	(0)	-	25	(2,574)	(209)
Receivables/(Payables) - April 01, 2015	141	638	129	(1,329)	4	(2)	4,771	24	26,004	(311)
	135	388	22	(1,579)	3	(2)	4,767	19	73,865	1
Corporate Guarantee - March 31, 2017										
Corporate Guarantee - March 31, 2016	-	-	-	79,515	-	-	-	4,050	19,071	26,472
Corporate Guarantee - April 01, 2015	-	-	-	(87,052)	-	-	-	(4,050)	(62,595)	(26,472)
	-	-	-	(93,209)	-	-	-	(4,050)	(49,444)	-
Pledge of Investment (no. of shares) - March 31, 2017										
Pledge of Investment (no. of shares) - March 31, 2016	-	-	-	-	-	-	-	-	251,999,900	-
Pledge of Investment (no. of shares) - April 01, 2015	-	-	-	-	-	-	-	-	(183,000,000)	-
	-	-	-	-	-	-	-	-	(183,000,000)	-

Notes to financial statements for the year ended March 31, 2017

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

Particulars	GVK Transportation Private Limited	GVK Coal (Tokisud) Company Private Limited	GVK Projects and Technical Services Limited	GVK Perambalur SEZ Private Limited	GVK Developmental Projects Private Limited	GVK Energy Limited	GVK Oil & Gas Limited	Bangalore International Airport Limited	Bangalore Airport & Infrastructure Developers Private Limited	GVK Technical & Consultancy Services Private Limited
Fees for services rendered (including service tax and corporate guarantee commission income)										
	138	-	34	-	-	126	-	-	-	-
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back	(138)	-	(44)	-	-	(125)	-	-	-	-
	-	-	3	-	-	15	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	(4)	-	-	(29)	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Services received	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	151
Investment in equity/ preference shares	-	-	-	-	-	-	-	-	-	(138)
	-	-	-	-	-	5,118**	-	-	-	-
Loans/advances given/expenditure incurred on behalf	-	-	-	-	-	(78,205)**	-	-	-	-
	12,079	-	-	19	9,307	2,782	3	4	-	-
Loans/advances recovered	(9,383)	-	-	(13)	(122)	(177)	(0)	(1)	-	-
	16,580	-	-	2,500	9,257	541	-	1	-	-
Share application money given	(4,077)	-	-	-	(4,156)	(216)	-	(8)	-	-
	-	-	-	-	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Guarantees released	-	-	-	-	-	-	-	-	(4,200)	-
	33,778	-	2,006	-	-	2,720	-	-	4,200	-
Investments pledges made (no. of shares)	(11,288)	-	(1,935)	-	-	-	-	-	-	-
	-	-	-	-	-	143,050,182	-	-	-	-
Investments unpledges (no. of shares)	-	-	-	-	-	(143,050,182)	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investment pledges received (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Advances and Investments written off/Fair value loss	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Deemed investment made on account of corporate guarantee	-	-	-	-	-	-	(10,161)	-	-	-
	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Balances outstanding										
Receivables/(Payables) - March 31, 2017										
Receivables/(Payables) - March 31, 2016	561	0	20	9,250	51	2,255	3	4	-	(130)
Receivables/(Payables) - April 01, 2015	24,900	0	(13)	11,731	0	18	-	1	-	(117)
	19,456	0	(29)	11,718	4,034	179	10,156	8	-	65
Corporate Guarantee - March 31, 2017										
Corporate Guarantee - March 31, 2016	-	-	-	-	5,200	28,230	-	-	-	-
Corporate Guarantee - April 01, 2015	(33,778)	-	(2,006)	-	(5,200)	(30,950)	-	-	(4,200)	-
	(45,066)	-	(3,941)	-	(5,200)	(30,950)	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2017										
Pledge of Investment (no. of shares) - March 31, 2016	-	-	-	-	-	230,960,770	-	-	-	-
Pledge of Investment (no. of shares) - April 01, 2015	-	-	-	-	-	(230,960,770)	-	-	-	-
	-	-	-	-	-	(87,910,588)	-	-	-	-

Notes to financial statements for the year ended March 31, 2017

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

Particulars	"Pinaka- ni Share and Stock Broker Limited"	"TAJ GVK Hotels & Re- sorts Limited"	"Orbit Travels & Tours Private Limited"	"Seregraha Mines Limited"	"GVK Em- ployee Welfare Trust"	GVK Coal Developers (Singapore) Pte Limited	GVK De- oli Kota Express- way Private Limited	"GVK Airport Services Private Limited"	"Sutara Roads & Infra Limited"	Mr. GV Sanjay Reddy
Fees for services rendered (including service tax and corporate guarantee commission income)	-	-	-	-	-	1,112	-	-	-	-
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back	-	-	-	(5)	-	(1,122)	-	-	-	-
	-	-	-	-	-	2,151	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	(77)	(1,754)	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Services received	-	-	-	-	-	-	-	-	-	-
	-	2	2	-	-	-	-	-	-	-
Investment in equity/ preference shares	-	(2)	(6)	-	-	-	-	-	-	-
	-	-	-	-	-	26,479	-	18	-	-
Loans/advances given/expenditure incurred on behalf	-	-	-	-	-	(22,258)	-	(1)	-	-
	-	-	-	-	-	-	2	0	-	-
Loans/advances recovered	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	339	-	-	-	-	-
Share application money given	-	-	-	-	-	(3)	-	-	-	-
	-	-	-	-	-	26,058	-	-	-	-
Share application money recovered	-	-	-	-	-	(2,984)	-	-	-	-
	-	-	-	-	-	53	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Guarantees released	-	-	-	-	-	(56,838)	-	-	-	-
	-	-	-	-	-	8,493	-	-	-	-
Investments pledges made (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	74,439,264	-	-	-	-
Investments unpledges (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Investment pledges received (no. of shares)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-	(239,800)***	-
	-	-	-	-	-	-	-	-	-	1
Advances and Investments written off/Fair value loss	-	-	-	-	-	-	-	-	-	(1)
	-	-	-	-	327	22,498	-	-	-	-
Deemed investment made on account of corporate guarantee	-	-	-	-	-	(1,421)	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-	-	-	8,620	-
	-	-	-	-	-	-	-	-	-	-
Balances outstanding										
Receivables/(Payables) - March 31, 2017										
Receivables/(Payables) - March 31, 2016	-	(1)	(36)	6	-	(51,254)	2	0	(8,620)	-
Receivables/(Payables) - April 01, 2015	(5)	(0)	(36)	16	666	(19,444)	-	-	-	-
	(5)	1	(37)	10	589	(17,692)	-	-	-	-
Corporate Guarantee - March 31, 2017										
Corporate Guarantee - March 31, 2016	-	-	-	1,441	-	368,534	-	-	-	-
Corporate Guarantee - April 01, 2015	-	-	-	(1,441)	-	(377,027)	-	-	-	-
	-	-	-	(1,441)	-	(320,189)	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2017										
Pledge of Investment (no. of shares) - March 31, 2016	-	-	-	-	-	226,082,500*	-	-	239,800***	-
Pledge of Investment (no. of shares) - April 01, 2015	-	-	-	-	-	(151,643,236)	-	-	(239,800)***	-
	-	-	-	-	-	(151,643,236)*	-	-	-	-

Notes to financial statements for the year ended March 31, 2017

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

Particulars	Mr. Krishna Ram Bhupal*	Mr. S Balasubramanian	Mr. S Anwar	Mr. Santha K John	Mr. K Balarama Reddi	Mr. CH G Krishna Murthy
Fees for services rendered (including service tax and corporate guarantee commission income)						
	-	-	-	-	-	-
Interest income on financial assets/Excess provision written back/Unearned guarantee commission written back	-	-	-	-	-	-
	-	-	-	-	-	-
Reimbursement of expenses (Billable expenses)	-	-	-	-	-	-
	-	-	-	-	-	-
Services received	-	-	-	-	-	-
	-	-	-	-	-	-
Investment in equity/ preference shares	-	-	-	-	-	-
	-	-	-	-	-	-
Loans/advances given/expenditure incurred on behalf	-	-	-	-	-	-
	-	-	-	-	-	-
Loans/advances recovered	-	-	-	-	-	-
	-	-	-	-	-	-
Share application money given	-	-	-	-	-	-
	-	-	-	-	-	-
Share application money recovered	-	-	-	-	-	-
	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-
	-	-	-	-	-	-
Guarantees released	-	-	-	-	-	-
	-	-	-	-	-	-
Investments pledges made (no. of shares)	-	-	-	-	-	-
	-	-	-	-	-	-
Investments unpledges (no. of shares)	-	-	-	-	-	-
	-	-	-	-	-	-
Investment pledges received (no. of shares)	-	-	-	-	-	-
	-	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-
	1	1	1	0	2	2
Advances and Investments written off/Fair value loss	(1)	(3)	(1)	(1)	(2)	(3)
	-	-	-	-	-	-
Deemed investment made on account of corporate guarantee	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Loan taken	-	-	-	-	-	-
	-	-	-	-	-	-
Balances outstanding						
Receivables/(Payables) - March 31, 2017						
Receivables/(Payables) - March 31, 2016	-	-	-	-	-	-
Receivables/(Payables) - April 01, 2015	-	-	-	-	-	-
	-	-	-	-	-	-
Corporate Guarantee - March 31, 2017						
Corporate Guarantee - March 31, 2016	-	-	-	-	-	-
Corporate Guarantee - April 01, 2015	-	-	-	-	-	-
	-	-	-	-	-	-
Pledge of Investment (no. of shares) - March 31, 2017						
Pledge of Investment (no. of shares) - March 31, 2016	-	-	-	-	-	-
Pledge of Investment (no. of shares) - April 01, 2015	-	-	-	-	-	-
	-	-	-	-	-	-

a) Previous year figures are in parenthesis except for receivable/(payable) and financial asset/(liability) at year end

b) Refer note 24 for equity commitments.

c) * Pledge of 155,587,500 (March 31, 2016: 81,148,236) shares of GVK Energy Limited, 22,495,000 (March 31, 2016: 22,495,000) shares of GVK Transportation Private Limited and 48,000,000 (March 31, 2016: 48,000,000) shares of GVK Airport Developers Limited

d) Refer note 11 and 13A for security provided by subsidiaries for loans availed by the Company.

e) The advances/loans and guarantees have been provided to meet normal business needs of respective entity.

f) ** 5,117,647 (March 31, 2016: 78,204,963 0.001% compulsory Convertible Debentures of Rs. 100 each were converted into 1 (March 31, 2016: 307,869,478) fully paid-up equity share/(s).

g) *** 239,800 preference shares of GVK Airport Developers Limited held by Sutara Roads & Infra Limited have been pledged for loans taken by the Company.

Notes to financial statements for the year ended March 31, 2017

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

29. Details of loan given to subsidiaries, associates, parties in which directors are interested:

Subsidiaries and joint ventures

i) GVK Oil & Gas Limited

Balance as at March 31, 2017 Rs. 3 (March 31, 2016 Rs. Nil, April 01, 2015 Rs. 10,156)

Maximum amount outstanding during the year was Rs. 3 (March 31, 2016 Rs. 10,156, April 01, 2015 Rs. 17,746)

The aforesaid loan is repayable at the option of subsidiary.

ii) GVK Perambalur SEZ Private Limited

Balance as at March 31, 2017 Rs. 4,251 (March 31, 2016 Rs. 6,732, April 01, 2015 Rs. 6,719)

Maximum amount outstanding during the year was Rs. 6,751 (March 31, 2016 Rs. 6,732, April 01, 2015 Rs. 6,719)

The aforesaid loan is repayable at the option of subsidiary.

iii) Goriganga Hydro Power Private Limited

Balance as at March 31, 2017 Rs. Nil (March 31, 2016 Rs. 4,771; April 01, 2015 Rs. 4,767)

Maximum amount outstanding during the year was Rs. 4,847 (March 31, 2016 Rs. 4,771; April 01, 2015 Rs. 4,767)

Loan of Rs. 4,847 given to Goriganga Hydro Power Private Limited has been written off in the current year.

The aforesaid loan was repayable at the option of subsidiary.

iv) GVK Airport Developers Limited

Balance as at March 31, 2017 Rs. Nil (March 31, 2016 Rs. 28,493; April 01, 2015 Rs. 76,242)

Maximum amount outstanding during the year was Rs. 29,149 (March 31, 2016 Rs. 76,242; April 01, 2015 Rs. 84,162)

The aforesaid loan was repayable on demand.

v) GVK Developmental Projects Private Limited

Balance as at March 31, 2017 Rs. 49 (March 31, 2016 Rs. 0; April 01, 2015 Rs. 4,033)

Maximum amount outstanding during the year was Rs. 5,684 (March 31, 2016 Rs. 4,033; April 01, 2015 Rs. 5,583)

The aforesaid loan is repayable on demand.

vi) GVK Transportation Private Limited

Balance as at March 31, 2017 Rs. 805 (March 31, 2016 Rs. 5,306; April 01, 2015 Rs. 0)

Maximum amount outstanding during the year was Rs. 15,162 (March 31, 2016 Rs. 6,928; April 01, 2015 Rs. 21,249)

The aforesaid loan is repayable on demand.

vii) GVK Ratle Hydro Electrical Projects Private Limited

Balance as at March 31, 2017 Rs. 0 (March 31, 2016 Rs. 1; April 01, 2015 Rs. 1)

Maximum amount outstanding during the year was Rs. 1 (March 31, 2016 Rs. 1; April 01, 2015 Rs. 1)

The aforesaid loan is repayable on demand.

viii) Alaknanda Hydro Power Company Limited

Balance as at March 31, 2017 Rs. Nil (March 31, 2016 Rs. Nil; April 01, 2015 Rs. Nil)

Maximum amount outstanding during the year was Rs. Nil (March 31, 2016 Rs. Nil; April 01, 2015 Rs. 2)

The aforesaid loan was repayable on demand.

ix) GVK Power (Goindwal Sahib) Limited

Balance as at March 31, 2017 Rs. 22 (March 31, 2016 Rs. 22; April 01, 2015 Rs. 16)

Maximum amount outstanding during the year was Rs. 22 (March 31, 2016 Rs. 22; April 01, 2015 Rs. 156)

The aforesaid loan was repayable on demand.

Notes to financial statements for the year ended March 31, 2017

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

x) GVK Coal (Tokisud) Company Private Limited

Balance as at March 31, 2017 Rs. 0 (March 31, 2016 Rs. 0; April 01, 2015 Rs. 0)

Maximum amount outstanding during the year was Rs. 0 (March 31, 2016 Rs. 0; April 01, 2015 Rs. 0)

The aforesaid loan is repayable on demand.

xi) GVK Energy Limited

Balance as at March 31, 2017 Rs. 2,282 (March 31, 2016 Rs. 40; April 01, 2015 Rs. 80)

Maximum amount outstanding during the year was Rs. 2,282 (March 31, 2016 Rs. 217; April 01, 2015 Rs. 127)

The aforesaid loan is repayable on demand.

xii) GVK Coal Developers (Singapore) Pte Limited Limited

Balance as at March 31, 2017 Rs. Nil (March 31, 2016 Rs. Nil; April 01, 2015 Rs. 3)

Maximum amount outstanding during the year was Rs. Nil (March 31, 2016 Rs. 3; April 01, 2015 Rs. 3)

The aforesaid loan is repayable on demand.

xiii) GVK Bagodara Vasad Expressway Private Limited

Balance as at March 31, 2017 Rs. 5 (March 31, 2016 Rs. 4; April 01, 2015 Rs.3)

Maximum amount outstanding during the year was Rs. 5 (March 31, 2016 Rs. 4; April 01, 2015 Rs. 3)

The aforesaid loan is repayable on demand.

xiv) GVK Jaipur Expressway Private Limited

Balance as at March 31, 2017 Rs. 82 (March 31, 2016 Rs. 1; April 01, 2015 Rs. 3)

Maximum amount outstanding during the year was Rs. 104 (March 31, 2016 Rs. 4; April 01, 2015 Rs. 3)

The aforesaid loan is repayable on demand.

xv) Bangalore International Airport Limited

Balance as at March 31, 2017 Rs. 4 (March 31, 2016 Rs. 1; April 01, 2015 Rs. 8)

Maximum amount outstanding during the year was Rs. 5 (March 31, 2016 Rs. 8; April 01, 2015 Rs. 8)

The aforesaid loan is repayable on demand.

xvi) GVK Industries Limited

Balance as at March 31, 2017 Rs. 137 (March 31, 2016 Rs. 141; April 01, 2015 Rs.135)

Maximum amount outstanding during the year was Rs. 143 (March 31, 2016 Rs. 141; April 01, 2015 Rs. 593)

The aforesaid loan is repayable on demand.

xvii) GVK Deoli Kota Expressway Private Limited

Balance as at March 31, 2017 Rs. 2 (March 31, 2016 Rs. Nil; April 01, 2015 Rs.Nil)

Maximum amount outstanding during the year was Rs. 2 (March 31, 2016 Rs. Nil; April 01, 2015 Rs. Nil)

The aforesaid loan is repayable on demand.

xviii) GVK Airport Services Private Limited

Balance as at March 31, 2017 Rs. 0 (March 31, 2016 Rs. Nil; April 01, 2015 Rs.Nil)

Maximum amount outstanding during the year was Rs. 0 (March 31, 2016 Rs. Nil; April 01, 2015 Rs. Nil)

The aforesaid loan is repayable on demand.

30. Details of trade receivables due from private companies in which Company's director is a director.

Mumbai International Airport Private Limited Rs. 223 (March 31, 2016 Rs. 129; April 01, 2015: Rs. 22)

Notes to financial statements for the year ended March 31, 2017

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

31. First time adoption to Ind-AS

A. Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS

Particulars	As at 01-Apr-15	As at 31-Mar-16
Equity as per Previous GAAP	234,862	221,901
Adjustment :		
Fair value gain/loss on current investment	7	10
Fair value loss on investment	(16,260)	(16,520)
Financial guarantee income/(expense) including exchange difference and unwinding income on financial assets	(1,026)	(240)
Fair value changes on financial assets	(1,407)	(1,332)
Equity Reported under Ind AS	216,176	203,819

B. Reconciliation between net loss as previously reported under Previous GAAP and Ind AS for the year ended 31 March 2016

Particulars	Year ended 31-Mar-16
Net Loss under Previous GAAP	(12,961)
Fair value gain/loss on current investment	10
Fair value loss on investment	(1,421)
Financial guarantee income/(expense) including exchange difference and unwinding income on financial assets	1,940
Fair value changes on financial assets	75
Net Loss under Ind AS	(12,357)

C. Notes to reconciliation of equity as at April 01, 2015 and March 31, 2016 and net loss for the year ended March 31, 2016.

(i) Fair Value gain/loss on current investment

Under Indian GAAP, investments in mutual funds are accounted for as short-term investments and accordingly they are carried at lower of cost and fair value. Under Ind AS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value.

(ii) Fair value loss on investment

The Company had made certain investments in certain non cumulative redeemable preference shares including share application money in coal project with the object of obtaining coal at discounted price. Under Indian GAAP the same have been carried at cost. Under Ind AS the same are carried at amortised cost and the fair value loss on initial recognition has been taken to opening retained earnings or the statement of profit and loss, as the case may be, as the coal project is facing certain difficulties.

(iii) Financial guarantee income/(expense) including exchange difference and unwinding income on financial assets

a) Financial guarantees where guarantee commission is charged

Under Indian GAAP, the Company has recognised Guarantee Commission on loan balance. However, under IND-AS, the Company has present valued the guarantee commission receivable through the tenor of the loan and recognised a receivable (financial asset) and unearned guarantee commission income (financial liability). The unearned guarantee commission income is taken to income on straight line basis and interest income is recognised on financial asset through the tenor of the loan.

b) Financial guarantees where guarantee commission is not charged

Under Indian GAAP, the Company has not accounted for financial guarantee where commission is not charged. However, under IND-AS, the Company has present valued the guarantee commission receivable through the tenor of the loan and recognised the same as investment in the entity and unearned guarantee commission income (financial liability). The unearned guarantee commission income is taken to income on straight line basis through the tenor of the loan.

c) Unwinding income on financial assets

Under Previous GAAP, investment in compulsorily redeemable preference shares in GVK Airport Developers Limited ('GVKADL')

Notes to financial statements for the year ended March 31, 2017

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

were carried at cost. Under Ind AS, the same needs to be accounted as financial asset as these instruments are compulsorily redeemable in cash. Preference shares are re-payable after a period of ten years with an option of an early redemption any time after one year from the date of allotment or such period as may be mutually agreed by giving a month's notice. The Company expects GVKADL to repay the same by March 31, 2021. Accordingly, discounted value of redeemable preference shares issued by GVKADL has been carried at amortised cost and fair value loss on initial recognition has been recognised as equity and subsequently interest income on the aforesaid financial asset and financial asset mentioned in (ii) above has been recognised in the statement of profit and loss.

32. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings and trade payables, less cash and short-term deposits.

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Borrowings including interest accrued on borrowings (Note 11, 13A & 13C)	37,663	37,221	78,458
Trade payables (Note 13B)	433	293	236
Less: Cash and cash equivalents (Note 8C)	(16)	(89)	(891)
Net debt	38,080	37,425	77,803
Equity	15,792	15,792	15,792
Retained earnings	(55,137)	(28,036)	(15,679)
Other Equity	216,062	216,063	216,063
Total Equity	176,717	203,819	216,176
Gearing ratio (Net Debt/ Total Equity)	0.22	0.18	0.36

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Company has delayed repayment of dues to banks and financial institutions during the year. Hence, the entire portion of long term borrowing has been classified as current.

The Company has delayed repayment of dues to banks during the year. The following is the summary of delays:

Particulars	Amount in (Rs. Lakhs)	Delay in days
Interest on loans from banks	691	61 - 149
Interest on loans from banks	1,170	29 - 121
Interest on loans from banks	802	27 - 87
Principal payment on loans from banks	2,050	30 - 153
Principal payment on loans from banks	2,460	28 - 90
Interest on loans from banks	915	318 - 440
Interest on loans from banks	2,523	21 - 415
Principal payment on loans from banks	14,956	Unpaid as at March 31, 2017

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2017.

33. First time adoption of Ind AS

"These financial statements for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

Notes to financial statements for the year ended March 31, 2017

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. Note 31 explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016."

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- a) The Company has elected to regard carrying values for all of property, plant and equipment as deemed cost at the date of the transition.
- b) Ind AS 101 requires a first-time adopter to apply derecognition requirements in Ind AS 109 prospectively to transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company continues to de-recognise the financial assets and financial liabilities for transactions which have occurred before the date of transition to Ind AS.
- c) "In the preparation of separate financial statements, Ind AS 27 Separate Financial Statements requires an entity to account for its investments in subsidiaries, jointly controlled entities and associates either:

- a) At cost, or
- b) In accordance with Ind AS 109.

If a first-time adopter measures such an investment at cost, it can measure that investment at one of the following amounts in its separate opening Ind AS balance sheet:

- Cost determined in accordance with Ind AS 27
- Deemed cost, defined as
 - Fair value determined in accordance with Ind AS 113 at the date of transition to Ind AS, or
 - Previous GAAP carrying amount at the transition date.

A first-time adopter may choose to use either of these bases to measure investment in each subsidiary, joint venture or associate where it elects to use a deemed cost. Accordingly, the Company has opted to carry the investment in subsidiaries and joint venture at cost as at the date of transition."

- d) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Estimates

The estimates as at April 01, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015 (transition date) and as of March 31, 2016.

34. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Notes to financial statements for the year ended March 31, 2017

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

Lease commitments - the Company as lessee

The Company has entered into lease for office premises. The Company has determined, based on an evaluation of the terms and condition of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises and the fair value of the asset, that it does not retain significant risk and rewards of the office premise and accounts for the contracts as operating lease.

B) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 25.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 8E for further disclosures.

(iv) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, and the useful lives are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013.

35. Financial risk management objectives and policies

Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Notes to financial statements for the year ended March 31, 2017

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

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and other financial assets. Trade receivables, Financial guarantee receivables (Other financial assets) and Loans given by the Company result in material concentration of credit risk as these are with related parties.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 10,275, Rs. 62,920 and Rs. 108,883 as of March 31, 2017, March 31, 2016 and April 1, 2015 respectively, being the total of the carrying amount of balances with trade receivables, Loans and Other financial assets.

Trade receivables, Other financial assets, Loans given:

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. Impairment analysis takes into account historical credit loss experience and adjusted for forward-looking information. Significant portion of trade receivables, other financial assets and loans given comprise of related parties and not subject to significant credit risk based on past history.

B) Liquidity Risk

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

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2017				
Borrowings	37,588	-	-	37,588
Other financial liabilities	-	282	-	282
Trade payables	-	433	-	433
Financial guarantee contracts*	532,513	-	-	532,513
	570,101	715	-	570,816
Year ended March 31, 2016				
Borrowings	-	21,106	14,350	35,456
Other financial liabilities	1,734	430	-	2,164
Trade payables	-	293	-	293
Financial guarantee contracts*	634,769	-	-	634,769
	636,503	21,829	14,350	672,682
Year ended March 31, 2015				
Borrowings	77,905	-	-	77,905
Other financial liabilities	-	557	-	557
Trade payables	-	236	-	236
Financial guarantee contracts*	553,490	-	-	553,490
	631,395	793	-	632,188

* Based on maximum amount that can be called for under the financial guarantee contract.

C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, investments, other financial assets and other financial liabilities.

Notes to financial statements for the year ended March 31, 2017

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through impact on floating rate borrowings, as follows:

Particulars	Increase/Decrease in basis points	Effect on profit before tax Rs. in Lakhs
March 31, 2017	50	175
	(50)	(175)
March 31, 2016	50	178
	(50)	(178)

Foreign Currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investment in foreign entity and financial asset/liability in relation to foreign entity in respect of financial guarantee. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company is intending to enter into derivative instruments primarily to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The period/ year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	March 31, 2017	March 31, 2016
Investments	51,459	19,779
Other financial liability	5,518	6,896
Other financial assets	5,868	7,275

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD rate	Effect on profit before tax Rs. in Lakhs
March 31, 2017	5%	2,590
	-5%	(2,590)
March 31, 2016	5%	1,008
	-5%	(1,008)

36. Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

37. The Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company of a Jointly controlled entity, and Nominated Authority has offered compensation of Rs. 11,129 as against carrying

Notes to financial statements for the year ended March 31, 2017

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

value of assets of Rs. 31,115 (March 31, 2016: Rs. 34,668). GVK Coal (Tokisud) Private Limited has received order from Hon'ble High Court dated March 09, 2017, based on which it has resubmitted its claim for the balance compensation claim. The Management believes that GVK Coal (Tokisud) Private Limited will be appropriately reimbursed for cancelled coal mine and accordingly the cancellation of coal mine will not have any material impact upon the financial statements.

38. The Company has made investments and has receivables aggregating to Rs. 51,815 (March 31, 2016: Rs. 20,157) and provided guarantees and commitments for loans amounting to Rs. 752,110 (March 31, 2016: Rs. 769,444) taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017, and has undertaken to provide financial assistance of USD 46 million (Rs.31,104) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 2,119 million (Rs. 1,432,932) as at June 30, 2016 and has incurred losses of USD 122 million (Rs. 83,017) for the year ended June 30, 2016, based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have significantly fallen since GVK coal had acquired stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal. Further, certain lenders of GVK Coal have classified the loan as non- performing and the lenders had abridgement option on the loans either on October 2015 or every year thereafter. The lenders have not yet exercised the option for repayment of the loan. GVK coal is in discussion with non- controlling shareholders to realign the option exercise dates, looking for additional funding from potential investors and working with lenders to reach to optimal solution. Management believes that while the prices of coal have fallen, the fall in prices of other commodities and services would offset the impact of fall in coal prices on the project by reducing capital and operating cost requirements and hence, GVK Coal would be able to establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary in nature and will not impact ability of the GVK Coal to continue in operation in foreseeable future. The management further believes that the aforesaid will not have any material adverse impact upon cash flows of the Company and accordingly no adjustment is required to receivables, investments, guarantees and commitments.

39. Uncertainties faced by GVK Energy Limited and its group companies (Jointly controlled entity and its group companies)

- a) There has been uncertainty regarding supplies/availability of gas to power generating plants and power projects under construction of the Group. Further, these group companies engaged in this business have made losses of Rs. 26,729 (March 31, 2016: Rs.26,158). Further, certain banks have classified loan balances of these group companies as non-performing assets. These group companies are in the process of restructuring the loans. The Company is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas. Further, Management based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions believes that these group companies will continue to be in operation in foreseeable future despite continued losses.
- b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 444,129 (March 31, 2016: Rs.463,295) of one of the group companies, towards supply of fuel. Management has obtained coal linkage for six months, tied up for importing coal and is mulling other options such as, obtaining coal linkage locally and has filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. PSERC in its interim order has allowed the group company to run the plant on imported fuel for upto two and half years within which the group company should make arrangements for coal on long term basis. Management based on internal assessment/legal advice believes that cancellation of coal mine will not impact the operations of the power project.
- c) One of the subsidiaries of GVKEL, has completed construction of 330MW hydro power project with a carrying value of Rs.506,768 as at March 31, 2017 (March 31, 2016: Rs. 529,882). The said Company has filed petitions with Uttar Pradesh Electricity Regulatory Commission ('UPERC') for extension of scheduled commercial operation date ('SCOD') and approval of additional capital cost to be considered for tariff determination. In the interim UPERC has provisionally determined tariff for the financial year 2015-16 and 2016-17 subject to the aforesaid petitions. The said Company had also filed a review petition with UPERC for revising the provisional tariff since it believes that certain components of the provisional tariff were not determined in accordance with the tariff regulations. UPERC in response to the review

Notes to financial statements for the year ended March 31, 2017

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

petition has stated that it will consider certain objections raised by the said Company during determination of final tariff. Pending determination of final tariff subsidiary has recorded revenue based on the provisional tariff approved by UPERC. Management based on its internal assessment/legal advice is confident that the aforementioned petitions will be decided in its favour.

The Company accordingly believes that investments in the jointly controlled entity amounting to Rs. 108,323 is recoverable in normal course of business and no provision for diminution is necessary.

40. As at March 31, 2017, the Company had accumulated losses and the Company has incurred losses during the preceding two years and the current year. The Company has delayed payment of loans and interest and certain loan accounts have been classified as nonperforming by banks. The Company has provided securities, guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 25(B)(ii), 25(C), 37, 38 and 39 uncertainties are being faced by various projects in the Group such as delays in development of coal mines in an overseas project where the Company has provided securities, guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, cancellation of coal linkage to coal based plant and re-negotiation of terms of PPA of coal based plant. Notwithstanding the above, the financial statements of the Company have been prepared on going concern basis as Management believes that the Company would be able to establish profitable operations, meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required and despite current macro-economic environment challenges would establish profitable operations.
41. During the earlier year, Termination Notice was served by GVK Oil & Gas Limited, a subsidiary involved in oil & gas activity on Ministry of Petroleum and Natural Gas (Ministry) for termination of Production Sharing Contract. The subsidiary had alleged that it has not been able to effectively carry out exploration operations in the Blocks allotted to it due to Ministry of Defense clearance issues. While the Management continues to pursue with Ministry for reimbursement of costs, the Company had written off investments and advances made to subsidiary aggregating to Rs. Nil (March 31, 2016: Rs. 10,161).
42. On January 17, 2013 and subsequently from time to time, Securities and Exchange Board of India (SEBI) made amendment to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement, pursuant to which listed entities have been prohibited from framing any employee benefit schemes involving acquisition of own securities from secondary market in excess of 10% of total assets of the scheme. The Company had formed GVK Employee Welfare Trust on July 15, 2009 which had purchased own equity shares which were acquired from secondary market. SEBI circular requires such Trust to dispose shares within five years from October 28, 2014 or to align the Trust with SEBI (ESOS and ESPS) Guidelines. In the current year, the trust has disposed off the shares held in the Company.

43. Fair values

The management assessed that loans given, trade receivables, cash and cash equivalents, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Notes to financial statements for the year ended March 31, 2017

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

a) Financial instruments by category

Particulars	Carrying value		
	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets			
At fair value through profit and loss			
Current investment	872	105	37
Non-current investment	25	25	25
At amortised cost			
Non-current investment	53,860	21,548	18,594
Loans	5	672	595
Others	4,469	25,605	23,856
Financial liabilities			
At amortised cost			
Borrowings (including current maturities)	28,761	35,057	31,631

Particulars	Fair value		
	March 31, 2017	March 31, 2016	April 01, 2015
Financial assets			
At fair value through profit and loss			
Current investment	872	105	37
Non-current investment	25	25	25
At amortised cost			
Non-current investment	53,860	21,548	18,594
Loans	5	672	595
Others	4,469	25,605	23,856
Financial liabilities			
At amortised cost			
Borrowings (including current maturities)	28,761	35,057	31,631

b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities measured at fair value after initial recognition.

Particulars	Fair value measurement using			
	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value				
Current investments*	March 31, 2017	872	-	-
Current investments*	March 31, 2016	105	-	-
Current investments*	April 01, 2015	37	-	-
Non current investment **	March 31, 2017	-	25	-
Non current investment **	March 31, 2016	-	25	-
Non current investment **	April 01, 2015	-	25	-

* The Company has used quoted market price for determining fair value of current investments

** The Company has determined fair value using discounted cash flow of future projection of cash flow.

Notes to financial statements for the year ended March 31, 2017

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

- 44.** Details of specified notes transaction held and transacted during the period between November 8, 2016 to December 30, 2016:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash on hand as on 08.11.16	-	0	0
(+) Permitted Receipts	-	0	0
(-) Permitted Payments	-	0	0
(-) Amount deposited in Banks	-	-	-
Closing Cash in Hand as on 30.12.16	-	0	0

45. Standards issued but not yet effective

In March 2017, the ministry of corporate affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 102, 'Share-based payment.' and Ind AS 7 "Statement of Cash Flow". This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The Amendments is applicable to the Group from April 1, 2017.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modification of cash settled awards that include a net settlement feature in respect of withholding taxes.

The aforesaid amendment is not applicable to the Company.

Amendment to Ind AS 7

The Amendment to IND AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company has evaluated the disclosure requirement of the amendment and the effect on the financial statements is not expected to be material. These amendments does not have any recognition or measurement impact but requires additional disclosure to be given by the Company.

- 46.** The financial statements contain certain amounts reported as "0" which are less than Rs. 1.
As per our report of even date.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered accountants

per **Vikas Kumar Pansari**
Partner
Membership No.93649

Place: Hyderabad
Date: May 24, 2017

For and on behalf of the Board of Directors of
GVK Power & Infrastructure Limited

Dr. GVK Reddy
Chairman & Managing Director
DIN: 00005212

A Issac George
Director & CFO
DIN: 00005456

G V Sanjay Reddy
Director
DIN: 00005282

P V Rama Seshu
AVP & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

There is growing awareness and concern on the need to protect our environment around the globe. GVK has always been a company that has taken the lead in its efforts to protect the environment, with a strong focus on eco-sustainability in our operations. In this regard and in continuation with our earlier letter dated May 18, 2011, we once again appeal to you to register your e-mail Ids for receiving the Annual reports, Notices and other documents in soft copies.

This is in line with the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) permitting listed entities to send soft copies of the Annual Report, Notices and other documents to all those shareholders who have registered their e-mail addresses for the said purpose.

We request you to join us in this noble initiative and look forward to your consent for receiving communication through the electronic mode.

To do this, you are requested to take the following steps:

- For shares held in physical mode: Please fill in the appended Green Initiative form and register the same with our RTA - Karvy Computershare Pvt. Ltd.
- For shares held in dematerialized mode: Please update/register your e-mail address with your Depository participant or e-mail at einward.ris@karvy.com specifying your Client ID and DP Id and also fill in the appended Green Initiative form and register the same with our RTA - Karvy Computershare Pvt. Ltd.

The Annual Report of your Company would also be made available on the Company website www.gvk.com. Further, you will be entitled to get a hard copy of the Annual Report of the Company, upon receipt of a requisition from you, any time, as a member of the Company.

Thanking you,

For GVK Power & Infrastructure Limited

P V Rama Seshu

AVP & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

To

KARVY COMPUTERSHARE PVT LTD

Unit: GVK Power & Infrastructure Ltd

Karvy Selenium Tower B, Plot 31-32

Gachibowli, Financial District

Nanakramguda, Hyderabad – 500 032

Dear Sirs,

Sub: Green Initiative in Corporate Governance-Service of Annual Report, Notice and other documents in electronic mode

I hereby give my consent to receive the above mentioned documents through the electronic mode.

Name of the sole/first shareholder	DP ID and Client ID/Folio No
E-mail ID	Signature of sole/first shareholder & Date

Notes:

1. On registration, all communications will be sent to the e-mail ID registered.
2. Shareholders are requested to keep the Company's Registrar - Karvy Computershare Pvt. Ltd. informed as and when there is any change in the e-mail address.



GVK POWER & INFRASTRUCTURE LIMITED

CIN: L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500003.

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

Email: cs.gvpil@gvk.com website: www.gvk.com

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____

Member's Folio No/ Client ID : _____ No. Of shares held _____.

Name of Proxy _____

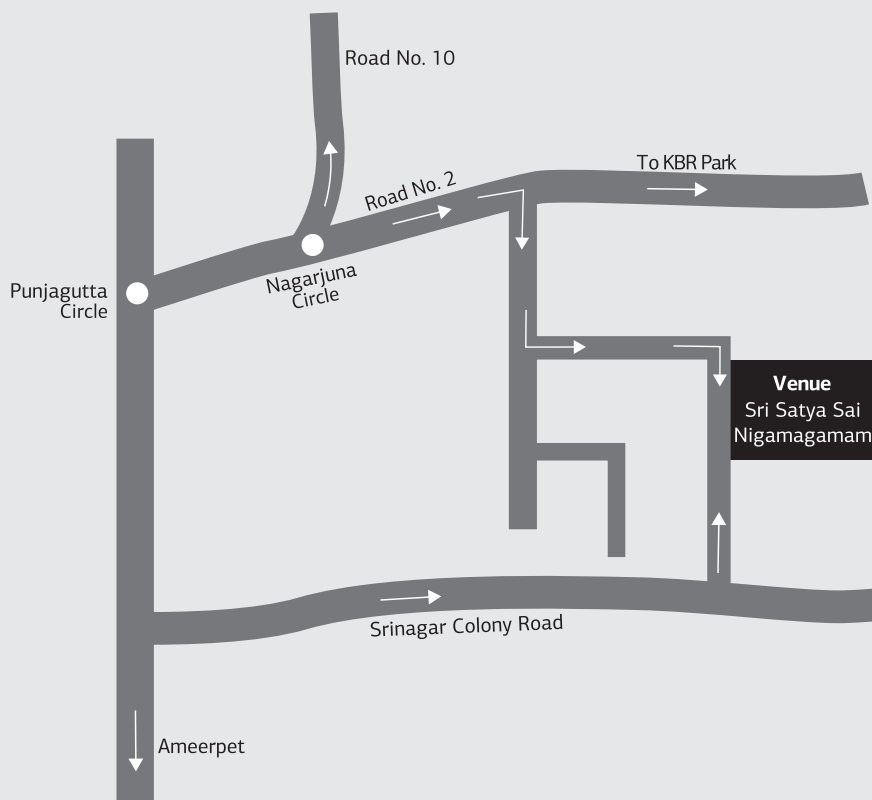
(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 23rd Annual General Meeting of the GVK Power & Infrastructure Ltd, at Sri Satya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 001 on Wednesday, 27th September 2017 at 11.30 a.m.

Member's / Proxy's Signature

- Notes:
- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
 - 2) The Proxy, to be effective should be deposited at the Registered office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
 - 3) A Proxy need not be a member of the Company.
 - 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
 - 5) This form of proxy confers authority to demand or join in demanding a poll.
 - 6) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

Route Map to AGM





GVK POWER & INFRASTRUCTURE LIMITED

L74999AP2005PLC074796

Registered Office: 'Paigah House', 156-159, Sardar Patel Road, Secunderabad - 500 003.

Phone: +91 (40) 27902663, Fax: +91 (40) 27902665

E.mail: cs.gvcpil@gvk.com Website: www.gvk.com

Form No: MGT 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Regd. Folio No. :	*DP ID :
No. of Shares held:	*Client ID :

I/we, being member(s) of _____ shares of GVK Power & Infrastructure Limited, hereby appoint.

1. _____ of _____ having E-mail ID: _____ or failing him

2. _____ of _____ having E-mail ID: _____ or failing him

3. _____ of _____ having E-mail ID: _____

and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Twenty Third Annual General Meeting of the Company, to be held on Wednesday, the 27th day of September, 2017 at 11.30 a.m. Sri Satya Sai Nigamagaram, 8-3-987/2, Srinagar Colony, Hyderabad - 500073 and at any adjournment thereof:



Sl. No.	Resolution(s)	Vote	
		For	Against
Ordinary Business			
1	Adoption of Audited financial statements for the year ended 31.03.2017		
2	Re-appointment of G V Sanjay Reddy as a director retiring by rotation		
3	Appointment of M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors in place of M/s. S R Batliboi & Associates LLP, Chartered Accountants whose term is completed in terms of Section 139(1) of Companies Act, 2013.		
Special Business			
Ordinary Resolutions			
4	Appointment of Mr P V Prasanna Reddy as a Director		

Signed this _____ day of _____ 2017

Signature of shareholder: _____ Signature of proxy holder: _____

Affix
Re.1/-
Revenue
Stamp

Note: 1 The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The Proxy need not be a member of the Company.

* Applicable for investors holding shares in Electronic Form.



GVK Jaipur Kishangarh Expressway



Alakananda HEP, Srinagar

If undelivered, please return to:

KARVY COMPUTERSHARE PRIVATE LIMITED

Unit: GVK Power & Infrastructure Limited

Registrar & Share Transfer Agent

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial
District, Nanakramguda, Hyderabad – 500 032

Phone: 040-67161700, Fax: 040-23114087

E-mail: mailmanager@karvy.com