

### **Independent Auditor's Report**

To the Members of **GMR ENERGY TRADING LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of GMR Energy Trading Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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4502, High Point IV, 45, Palace Road, Bangalore - 560 001. Ph :223 81 473



### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

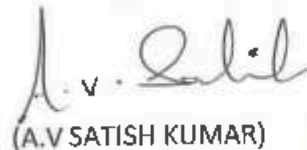
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

PLACE : BANGALORE

DATE : 08<sup>th</sup> April 2013

FOR GIRISH MURTHY & KUMAR  
Firm Registration Number : 000934S  
Chartered Accountants



(A.V SATISH KUMAR)  
Partner.  
M.No : 026526



Annexure referred to in paragraph 1 of our report of even date.  
Re: GMR Energy Trading Limited

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- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- ii) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of business. Pursuant to the programme, the management has physically verified the fixed assets during the financial year immediately preceding the last financial year and there were no material discrepancies between the book records and the physical inventory. No substantial parts of the Fixed Assets have been disposed during the year.
- iii) Since the Company is doing Power Trading business, need to hold stocks of finished goods, stores, spare parts and raw material during/at the year end are not applicable.
- iv) The Company has not taken loans from companies listed in the register maintained under section 301 of the Companies Act, 1956.
- v) The Company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies act 1956.
- vi) In our opinion, for the purchase of fixed assets and electrical energy there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business. Further we have not noticed any evidence of persisting failures to correct major weakness in internal control.
- vii) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered. Further In respect of such contracts exceeding Rs five lakh in respect of every party, transactions were made at prevailing market prices at the relevant time.
- viii) The Company has not accepted deposits from the public during the year to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable.



- ix) In our opinion, the Company's present Internal Audit system is commensurate with the size and nature of its business.
- x) The central government has not prescribed the maintenance of cost records by the companies under section 209(i)(d) of the Companies act, 1956.
- xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in payment of undisputed statutory dues including income tax, Provident fund, service tax, cess and other material statutory dues as applicable with appropriate authorities. We are informed by the Company that the provisions of Employee state insurance scheme, investor education and protection fund, sales tax, excise, customs are not applicable.
- xii) According to the information and explanations given to us and the records of the Company examined by us there are no undisputed/disputed amounts payable in respect of income tax, Provident fund, service tax cess as at 31st March 2013, which are outstanding for a period of more the than six months from the date they become payable.
- xiii) The accumulated losses of the Company as at 31<sup>st</sup> March 2013 are less than fifty percent of its net worth. The Company has also incurred cash loss of Rs. 1,622.36 lakhs during the financial year ended 31<sup>st</sup> March 2013.
- xiv) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of any dues to any financial institutions or bank as the balance sheet date.
- xv) In our opinion and according to the information and explanations given to us. And on overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvi) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xvii) In our opinion, the Company is not dealing or trading in shares, debentures and other investments and as such no records have been maintained.
- xviii) We have been informed by the Company that it has not given any guarantee for any loans taken by the others from banks and financial institutions.



- xix) In our opinion, and on the basis of our examination and according to the information and explanations given to us, on an overall examination of the balance sheet of the Company, we report that during the year, prima facie, the Company has not used funds raised on short- term basis for long-term investment. .
- xx) No Preferential allotment of shares is made by the Company to parties and companies covered in the registers maintained under section 301 of the act.
- xxi) The Company has not issued any debentures and therefore no securities have been created.
- xxii) During the course of examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have not come across any instance of fraud on or by the Company during the year.
- xxiii) The Company is not covered under special statutory provisions applicable to the Chit fund, Nidhi or mutual benefit societies.
- xxiv) According to the information and explanations given to us and based on such examination, we are of the opinion that other provisions of the Companies (Auditors' report Order) 2003 are not applicable for the year covered under this report.

PLACE : BANGALORE

DATE : 08<sup>th</sup> April 2013

FOR GIRISH MURTHY & KUMAR  
Firm Registration Number : 000934S  
Chartered Accountants



(A.V SATISH KUMAR)  
Partner.  
M.No : 026526



**Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company**

To,  
The Board of Directors  
**GMR Energy Trading Limited**  
25/1, Skip House, Museum Road,  
Bangalore - 560 025

1. We have audited the accompanying special purpose financial information of GMR Energy Trading Limited ('the Company') comprising of quarterly financial results of the Company for the quarter ended March 31, 2013 and the year-to-date results for the period from April 1, 2012 to March 31, 2013, attached herewith have been prepared by the Company to enable GMR Infrastructure Limited ('GIL') to prepare its consolidated financial results for the quarter ended March 31, 2013 and the year-to-date results for the period from April 1, 2012 to March 31, 2013. This special purpose financial information, which are the responsibility of the company's management and have been approved by the Board of Directors, and are the derived figures between the audited figures in respect of the current full year ended March 31, 2013 and the year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were subject to limited review, have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on this special purpose financial information based on our audit of such special purpose financial information
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us this special purpose financial information:



- i. are prepared in accordance with recognition and measurement principles laid down in AS 25 and other recognised accounting practices and policies; and
  - ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2013 as well as the year to date results for the period from April 1, 2012 to March 31, 2013
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2013 represent the derived figures between the audited figures in respect of the current full financial year ended March 31, 2013 and the year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above.

**For Girish Murthy & Kumar**  
Firm Registration Number:000934S  
Chartered Accountants

*A.V. Satish Kumar*

**A.V.Satish Kumar**  
Partner  
Membership No: 026526



Place: Bangalore  
Date: 08<sup>th</sup> April 2013