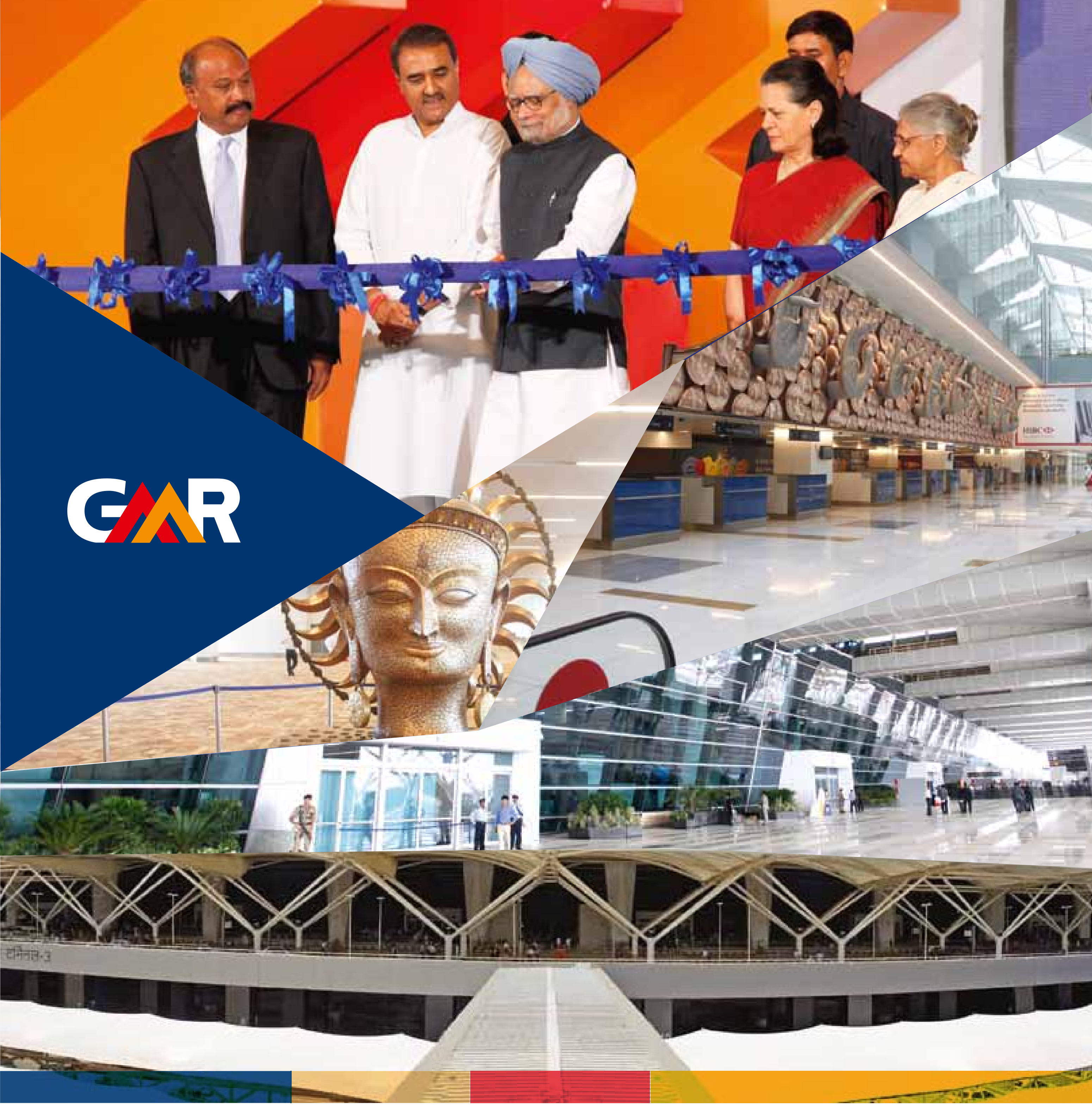


Creating a sustainable enterprise...

GMR Infrastructure Limited
15th Annual Report 2010-11

Contents

Creating a sustainable enterprise....

GMR is not just about building and operating world class infrastructure assets which will make every Indian proud... we are in the process of building a sustainable enterprise, an enterprise in perpetuity continuously evolving with clear focus not only on operational and financial performance, but also on the other two key elements of sustenance....the society and the environment.

We have won several accolades for the quality of our infrastructure and our service levels which have been rated the best not only in India but the world. However, what we cherish the most is the difference we make to society and the concern we show for our environment.

At GMR, sustainability is the new mantra which drives us to reach beyond the ordinary...in FY11, we have been recognised for our commitment to society and our environment by way of several awards – the Corporate Social Responsibility Award at the CNBC-TV18 India Business Leader Awards in December 2010, The National Energy Conservation Award for one of our Power plants, LEED India Gold Rating for Terminal 3 at DIAL, making it one of the largest green buildings in the world.

Our commitment to the triple bottomline is aptly reflected in our new Vision...

"GMR Group will be an institution in perpetuity that will build entrepreneurial organizations, making a difference to society through creation of value".

General Information

Board of Directors

G M Rao
Executive Chairman

Srinivas Bommidala
Managing Director

G B S Raju
Group Director

Kiran Kumar Grandhi
Group Director

B V Nageswara Rao
Group Director

O Bangaru Raju
Director

Arun K Thiagarajan
Independent Director

K R Ramamoorthy
Independent Director

Dr. Prakash G Apte
Independent Director

R S S L N Bhaskarudu
Independent Director

Udaya Holla
Independent Director

Uday M Chitale
Independent Director

Company Secretary & Compliance Officer
C. P. Sounderarajan

Bankers
Axis Bank Limited
ICICI Bank Limited
IDBI Bank Limited
United Bank of India

Registered Office
Skip House, 25/1,
Museum Road,
Bengaluru - 560 025
Tel No.: 080 40534000
Fax: 080 22279353
www.gmrgroup.in

Audit Committee

K R Ramamoorthy	Chairman
Arun K Thiagarajan	Member
R S S L N Bhaskarudu	Member
Uday M Chitale	Member

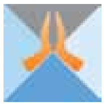
Shareholders' Transfer & Grievance Committee

Udaya Holla	Chairman
G B S Raju	Member
K R Ramamoorthy	Member
B V Nageswara Rao	Member

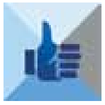
Statutory Auditors
S.R. Batliboi & Associates
Chartered Accountants

Registrar and Share Transfer Agent
Karvy Computershare Pvt. Ltd.
Plot No. 17-24,
Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081

Values and Beliefs



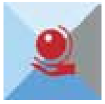
Humility
We value intellectual modesty and detest false pride and arrogance.



Entrepreneurship
We seek opportunities - they are everywhere

Teamwork and Relationships
Going beyond the individual, encouraging boundaryless behaviour

Deliver the promise
We value a deep sense of responsibility and self discipline, to meet and surpass commitments made



Learning
Nurturing active curiosity - to question, share and improve

Social responsibility
Anticipating and meeting relevant and emerging needs of society

Respect for individual
We will treat others with dignity, sensitivity and honour

"The GMR Group firmly believes that its distinct organisational characteristics will be driven through its strong values and beliefs.

These values and beliefs in turn drive the organisation's culture, lay the foundation for institution-building and help define its goals.

It has also helped build the reputation capital of the Group which over time has enhanced and sustained its standing as a leading and respected player in the infrastructure domain."

Chairman's letter to the shareholders

Dear Shareholders,

The Financial Year 2010–11 saw the global economy stabilizing to a large extent; however external threats like escalating oil and commodity prices, problems in the peripheral Euro Zone (Greece & Spain) still persist. The recovery was moderated by the devastating tsunami in Japan and the sluggish US economy. Against this backdrop, the Indian economy was more resilient, though inflation is threatening to derail the growth story.

The Indian infrastructure sector registered marginally higher growth than the previous year. The Energy sector faced acute shortage of fuel, both coal and gas leading to lower capacity utilization and generation. The Roads sector did not perform as expected as the Government is still grappling with structural reforms. However, due to robust growth in passenger and cargo movement, the Airports sector witnessed a healthy growth in the fiscal.

2010-11 was very eventful for us as we completed a decade and a half in the process of nation building. We set global benchmarks in service excellence and quality, recognized through a bouquet of awards and accolades.

Our Energy business continued to fuel our growth in the last fiscal:

- Our barge-mounted 220 MW power plant was successfully moved from Mangalore to Kakinada after conversion of fuel type from naphtha to natural gas. The plant was commissioned in July 2010.
- We forayed successfully into energy transmission by winning two projects in Rajasthan.
- We marked our entry into renewable energy by winning our first 25 MW Solar power project in Gujarat, which will be commissioned before the end of 2011; we are also setting up in Gujarat a 2.1 MW wind power plant which will be commissioned in July 2011.
- Our power trading arm has established itself well and is now the 4th largest private power trader in the country.
- We achieved financial closures for GMR Rajahmundry Energy Limited and GMR Chhattisgarh Energy Limited. We also obtained the Environment Clearance for our Bajoli Holi hydro project in Himachal Pradesh.
- Our fuel supply security measures made significant progress with our mine in Indonesia getting ready for operation in a few months.
- We obtained a favourable decision from the Appellate Tribunal on our long-pending dispute with the Tamil Nadu Electricity Board (TNEB); pending their right to appeal, we have started receiving instalments from TNEB.
- On the flip side, due to lower gas availability for both our Vemagiri and Kakinada plants, capacity utilization was sub optimal leading to loss of generation and revenues thereof.
- Due to the changed economic environment in overseas markets and the group's intention of renewed focus in developing large energy assets within India, we took a decision to divest our stake in InterGen N.V. We successfully divested our stake thereby releasing equity capital of Rs. 958 Crore for deployment on more profitable assets.

Our Airports business witnessed a smart rise in revenues on the back of robust growth in passenger traffic and cargo volumes at all our airports.

- The Sabiha Gokcen Airport in Istanbul, Turkey saw a 75 % rise in passenger traffic.
- The Rajiv Gandhi International Airport, Hyderabad (RGIA) saw a 17.6 % growth in passenger traffic over the previous year.
- Indira Gandhi International Airport, Delhi (IGIA) recorded a passenger traffic growth of 14.7 %.

- We also won the International competitive bid to build, modernize and expand the Male International Airport in the Maldives. We have taken over operations of the airport 4 months ahead of schedule and have also achieved Financial Closure for its expansion.
- For the second consecutive year, RGIA was awarded the World's best airport in terms of service quality in the 5 to 15 mn passengers per annum category.
- In 2010, IGIA has been ranked 12th out of 154 participating airports in overall category in terms of service quality and selected for ACI (Airport Council International) Director General's Recognition Award. It has also been rated for the second consecutive time as the 4th Best Airport in the World in its category. IGIA's Terminal 3 won the Best Infrastructure and the PPP Project of the year at the KPMG Infrastructure Awards 2010; the Best International Project at the British Construction Industry Awards and the first airport in the world to be accorded LEED NC Gold Rating for Green Buildings.
- The performance of our Highways sector has been steady in the last fiscal.
- We have achieved Financial Closure of all our 3 Highway projects, namely, the Hyderabad-Vijayawada Toll highway, the Chennai Outer Ring Annuity road and the Hungund-Hospet Toll highway.
- All projects are progressing well and we are confident of completing them as per schedule.
- The Highways business is getting increasingly competitive. Going forward, we intend moving up the value chain by targeting expressways, highways of longer stretch, mega projects, etc., where we can leverage on our financial, project and managerial experience.

We are well on our way in developing part of our property around the Hyderabad Airport into an Aero SEZ.

- We have achieved Financial Closure for our MRO (Maintenance, Repair and Overhaul) facility in collaboration with Malaysian Airlines & Engineering (a subsidiary of MAS) and the construction is progressing as scheduled.
- We have inaugurated an Aircraft Engine Maintenance training centre in collaboration with CFM International, France.
- We have entered into an agreement with the Schulich School of Business of York University in Toronto, Canada, to develop a Schulich campus in Hyderabad, India. The ground-breaking ceremony for the construction of the campus has been scheduled on July 12, 2011. This will be the first full-fledged campus of a major, top-ranked International Business school in India.
- Plans are also afoot to start a tertiary care hospital in order to develop Hyderabad, specifically RGIA as a medical tourism destination.

All these aggressive growth plans need to be backed with a strong leadership team and robust business processes.

- Running seamlessly for the second successive year, our Talent Review process has enabled structured succession planning for key leadership positions and creation of a talent pipeline for the future. The outcome of Talent Review has led to focused investment in identification and development of future leaders.
- Business Excellence under Malcolm Baldridge framework to make overall improvement in our processes and systems, gathered momentum during the year.
- Our vast assets are exposed to a variety of risks which can affect our business continuity. Besides proactive Enterprise Risk Management, we also have in place advance plans to deal with material risks. We have embarked on a journey to build resilience for the organisation by enhancing strategic and tactical capabilities to plan for and respond to incidents and business disruptions. To begin with, this initiative is being rolled out at IGIA which is one of our most sensitive assets. Based on our learning in IGIA, we will develop Business Continuity Plans (BCP) for all our assets and projects across the Group.
- As a part of our 10-year Group Aspirations formulation called Sankalp 2020, we re-visited our Group's Vision to now read

  "GMR Group will be an Institution in <u>perpetuity</u> that will build Entrepreneurial Organizations, making a difference to Society through creation of Value"

  We also articulated the Aspirations of the Group in terms of geographical presence, market position, business model, brand and organization which will form the basis for all our future plans.

Reinforcing our commitment to the society and to the environment, we have initiated Corporate Sustainability Reporting for the Group as per the globally accepted guidelines laid down by an International body called Global Reporting Initiative (GRI). Outcomes of various initiatives undertaken by our operating assets in Energy, Airports, UI&H sectors and GMR Varalakshmi Foundation (GMRVF) have been collated and a consolidated report presented to us. Going forward, this will form the measure for us to improve upon in our journey towards making GMR a sustainable enterprise.

GMR Varalakshmi Foundation, our corporate social responsibility arm continues to focus on the 4 identified areas of social development, namely education, health and sanitation, empowerment and community development. Our efforts in making a difference to the society has been recognised with the Corporate Social Responsibility Award at the CNBC-TV18 India Business Leader Awards in December 2010.

To ensure that quality healthcare is available to the people living in my home town Rajam and the neighbouring rural and backward villages, we built the Multi-Specialty GMR Varalakshmi CARE Hospital, which was inaugurated by Shri Pranab Mukherjee, Honourable Finance Minister of India. Other than offering the best of medical care at affordable costs, it will also save considerable time and efforts of patients' travelling to distant towns like Visakhapatnam for emergency and advanced medical care.

During the year, I have irrevocably pledged my share of the stake that I hold in the Group, which is approximately worth Rupees 1540 Crore (USD 340 million) in favour of GMR Varalakshmi Foundation for charitable activities to serve the needs of the under-served sections of society.

Overall, the year was very satisfying as we continued to build a strong foundation for business and organizational growth in a holistic manner with long-term shareholder interest in mind.

Acknowledgements

I express my sincere gratitude to our shareholders, investors, joint venture partners, banks and financial institutions with whom we have enjoyed excellent relationships. I would also like to thank SEBI, NSE, BSE, RBI, NHAI, TIDCO, AAI, AERA, CERC, Central and State Governments and all other regulatory bodies for providing continuous support and an enabling environment for smooth conduct of business. I wish to express my appreciation to my colleagues on the Board and our employees for their thought leadership, dedication and commitment.

I express my sincere appreciation to the Board of Directors and the employees of the subsidiaries for their continued support.

I am indeed grateful to you all for your cooperation and the trust you have reposed in us.

Best regards

G M Rao

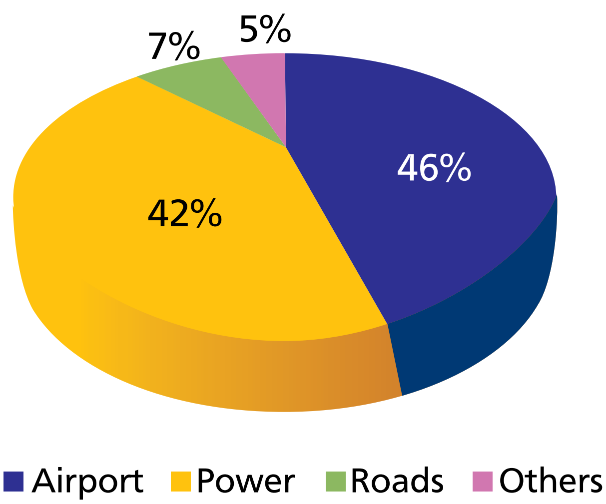
Executive Chairman

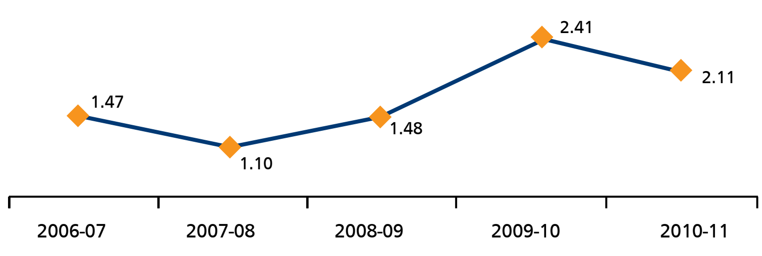
Highlights of 2010-11

Consolidated Financials

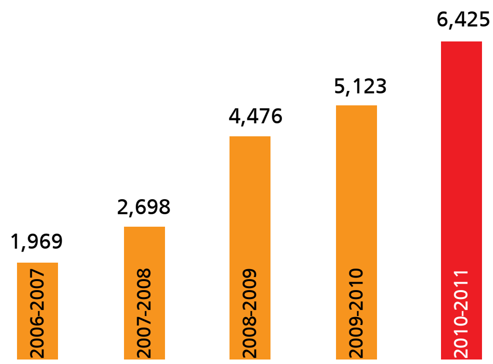
- Gross revenues up by 25.41 % from Rs. 5,123.42 Crore to Rs. 6,425.04 Crore.
- Net Revenues up by 26.44 % from Rs. 4,566.51 Crore to Rs. 5,773.78 Crore.
- EBITDA up by 14.01 % from Rs. 1,364.31 Crore to Rs. 1,555.49 Crore.
- PAT before minority interest and share of profits/(losses) from associates decreased by 564.48 % from Rs. 225.34 Crore to Rs. (1,046.67) Crore.
- PAT after minority interest and share of profits/(losses) from associates decreased by 686.91 % from Rs. 158.40 Crore to Rs. (929.64) Crore.
- Cash Profit (PAT before Minority plus depreciation plus deferred tax plus MAT credit entitlement plus exceptional items) decreased by 28.57 % from Rs. 731.75 Crore to Rs. 522.69 Crore.
- Total assets increased by 29.99 % from Rs. 31,793.20 Crore to Rs. 41,327.45 Crore.
- Net Worth increased by 32.62 % from Rs. 8,656.68 Crore to Rs. 11,480.24 Crore .

Sectorwise Net revenue





Debt Equity Ratio



CAGR 34.4%

Consolidated Gross Revenue (Rs. in Crore)

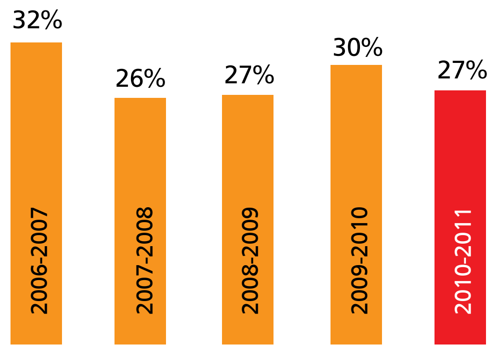
Consolidated Financial Performance

(Rs. in Crore)

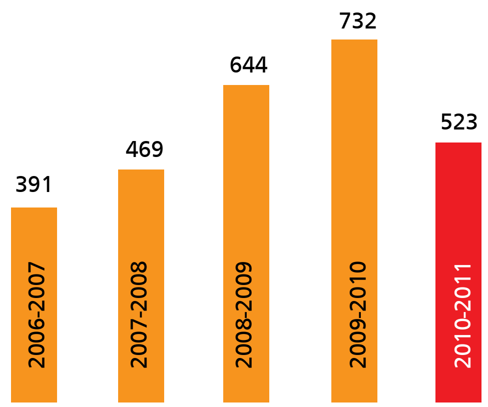
Year End	Net Revenue	EBITDA	PAT*	Cash Profits	Cash & Cash Equivalent**
FY 2011	5,774	1,555	(1,047)	523	5,264
FY 2010	4,567	1,364	225	732	4,842
FY 2009	4,019	1,067	277	644	2,781
FY 2008	2,295	599	263	469	5,779
FY 2007	1,697	544	242	391	1,562

* PAT Before minority interest and share of profits/(losses) of associates

** Cash + mutual funds + bonds + government securities + certificate of deposit + investments in quoted equity shares

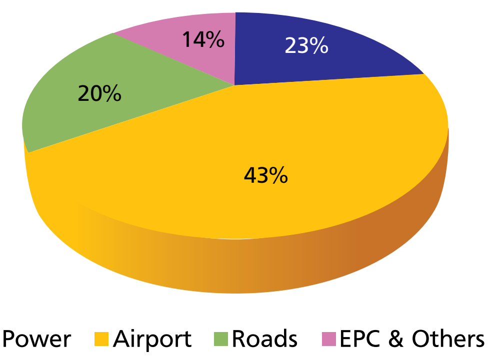


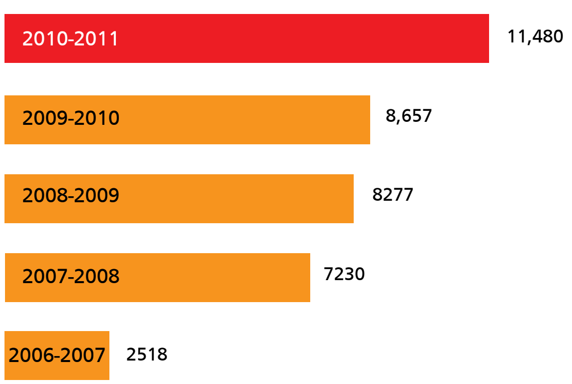
EBITDA Margin



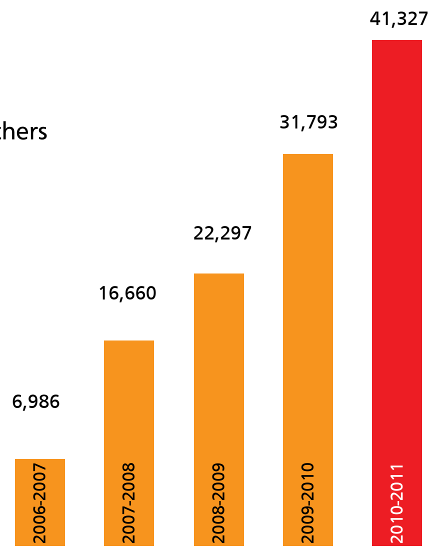
CAGR 7.6%
Cash Profit (Rs. in Crore)

Sectorwise contribution in EBITDA





Net worth (Rs. in Crore)



CAGR 56 %
Total Assets (Rs. in Crore)

GMR Group

"Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:"

GMR Holdings Private Limited - Holding Company
Dhruvi Securities Private Limited
GMR Corporate Center Limited
GMR Aviation Private Limited
GMR Corporate Affairs Private Limited
Larkspur Properties Private Limited
Bougainvillea Properties Private Limited
Advika Properties Private Limited
Aklima Properties Private Limited
Amartya Properties Private Limited
Baruni Properties Private Limited
Camelia Properties Private Limited
Eila Properties Private Limited
Gerbera Properties Private Limited
Lakshmi Priya Properties Private Limited
Honeysuckle Properties Private Limited
Idika Properties Private Limited
Krishnapriya Properties Private Limited
Nadira Properties Private Limited
Prakalpa Properties Private Limited
Purnachandra Properties Private Limited
Shreyadita Properties Private Limited
Sreepa Properties Private Limited
Deepesh Properties Private Limited
Padmapriya Properties Private Limited
GMR Krishnagiri SEZ Limited
GMR SEZ and Port Holdings Private Limited
Kakinada SEZ Private Limited
GMR Tuni Anakapalli Expressways Private Limited
GMR Tambaram Tindivanam Expressways Private Limited
GMR Ambala-Chandigarh Expressways Private Limited
GMR Jadcherla Expressways Private Limited
GMR Pochanpalli Expressways Limited

GMR Ulundurpet Expressways Private Limited
GMR Highways Limited
GMR Hyderabad Vijayawada Expressways Private Limited
GMR Chennai Outer Ring Road Private Limited
GMR OSE Hungund Hospet Highways Private Limited
Delhi International Airport Private Limited
Delhi Aerotropolis Private Limited
East Delhi Waste Processing Company Private Limited
GMR Airports Holding Limited
GMR Hyderabad International Airport Limited
Gateways for India Airports Private Limited
Hyderabad Menzies Air Cargo Private Limited
GMR Hyderabad Aerotropolis Limited
GMR Hyderabad Airport Resource Management Limited
GMR Hyderabad Aviation SEZ Limited
GMR Hyderabad Multiproduct SEZ Limited
Hyderabad Airport Security Services Limited
GMR Hotels and Resorts Limited
GMR Airport Developers Limited
Hyderabad Duty Free Retail Limited
GMR Airport Handling Services Company Limited
GADL (Mauritius) Limited
GADL International Limited
GMR Renewable Energy Limited
GMR Power Infra Limited
GMR Energy Limited
GMR Power Corporation Limited
GMR Vemagiri Power Generation Limited
GMR (Badrinath) Hydro Power Generation Private Limited
GMR Mining & Energy Private Limited
GMR Kamalanga Energy Limited
GMR Energy Trading Limited

GMR Group

"Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:"

- GMR Consulting Services Private Limited
- Himtal Hydro Power Company Private Limited
- GMR Upper Karnali Hydropower Limited
- GMR Energy (Mauritius) Limited
- GMR Lion Energy Limited
- GMR Energy (Cyprus) Limited
- GMR Coastal Energy Private Limited
- GMR Energy (Netherlands) BV
- GMR Bajoli Holi Hydropower Private Limited
- GMR Londa Hydropower Private Limited
- GMR Chhattisgarh Energy Limited
- GMR Kakinada Energy Private Limited
- Badrinath Hydro Power Generation Private Limited
- PT Dwikarya Sejati Utama
- PT Duta Sarana Internusa
- PT Barasentosa Lestari
- Homeland Energy Group Limited
- Homeland Energy Corp.
- Homeland Mining & Energy SA (Pty) Limited
- Homeland Energy (Swaziland) (Pty) Limited
- Homeland Coal Mining (Pty) Limited
- Homeland Mining and Energy (Botswana) (Pty) Limited
- Wizard Investments (Pty) Limited
- Corpclo331 (Pty) Limited
- Ferret Coal Holdings (Pty) Limited
- Ferret Coal (Kendal) (Pty) Limited
- Manoka Mining (Pty) Limited
- EMCO Energy Limited
- GMR Rajahmundry Energy Limited
- SJK Powergen Limited
- PT Unsoco
- Karnali Transmission Company Private Limited
- Marsyangdi Transmission Company Private Limited
- GMR Maharashtra Energy Limited
- GMR Bundelkhand Energy Private Limited
- GMR Uttar Pradesh Energy Private Limited
- GMR Hosur Energy Limited
- GMR Gujarat Solar Power Private Limited
- GMR Indo-Nepal Energy Links Limited
- GMR Indo-Nepal Power Corridors Limited
- Aravali Transmission Service Company Limited
- Maru Transmission Service Company Limited
- GMR Male International Airport Private Limited
- GMR Infrastructure (Mauritius) Limited
- GMR Infrastructure (UK) Limited
- GMR Infrastructure (Singapore) PTE. Limited
- Island Power Intermediary PTE. Limited
- GMR Energy (Singapore) PTE. Limited
- GMR Supply (Singapore) PTE. Limited
- GMR Infrastructure (Cyprus) Limited
- GMR Infrastructure (Global) Limited
- GMR Energy (Global) Limited
- GMR Infrastructure Overseas Sociedad Limitada
- GMR International (Malta) Limited
- GMR Infrastructure Investments (Singapore) PTE. Limited
- GMR Energy Projects (Mauritius) Limited
- GMR Holdings Overseas Spain, S.L.U
- Mr. G M Rao
- Mr. Srinivas Bommidala
- Mr. G B S Raju
- Mr. Kiran Kumar Grandhi
- Ms. G Varalakshmi
- Ms. B Ramadevi
- Ms. Smitha Raju
- Ms. Ragini Kiran
- GMR Family Fund Trust
- Grandhi Varalakshmi Mallikarjuna Rao Trust

GMR Group

"Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:"

Srinivas Bommidala and Ramadevi Trust
Grandhi Buchi Sanyasi Raju and Satyavathi Smitha Trust
Grandhi Kiran Kumar and Ragini Trust
Other Group Companies
Rajam Enterprises Private Limited
Grandhi Enterprises Private Limited
Raxa Security Services Limited
GMR Sports Private Limited
GMR League Games Private Limited
GMR Varalakshmi Foundation
Ideaspace Solutions Limited
Kirthi Timbers Private Limited
Corporate Infrastructure Services Private Limited
GMR Infra Ventures LLP
Varalakshmi Enterprises LLP
MAS GMR Aerospace Engineering Company Limited
GMR Infratech Private Limited
GMR Enterprises Private Limited
GBS Holdings Private Limited
BSR Holdings Private Limited
GKR Holdings Private Limited
Sri Varalakshmi Jute Twine Mills Private Limited
GMR Projects Private Limited
Cadence Retail Private Limited
GMR Estates Private Limited
GMR Hebbal Towers Private Limited
Nirasree Real Estates Private Limited
Rajeswara Real Estates Private Limited
Sreejaya Properties Private Limited
Vijay Nivas Real Estates Private Limited
Ganasatya Real Estates Private Limited
Fabcity Properties Private Limited
Kondampeta Properties Private Limited
Delhi Golf Link Properties Private Limited
Hyderabad Jabilli Properties Private Limited
Kakinada Refinery & Petrochemicals Private Limited
Leora Real Estates Private Limited
Pashupati Artex Agencies Private Limited
Ravivarma Realty Private Limited
GMR Bannerghatta Properties Private Limited
Asteria Real Estates Private Limited
Dandelion Properties Private Limited
Istanbul Sabiha Gökçen Uluslararasi Havalimani Yatirim Yapim ve İsletme A.S. (Sabiha Gokcen International Airport)
Istanbul Sabiha Gökçen Uluslararasi Havalimani Yer Hizmetleri A.S. (Ground Handling Company)
LGM Havalimani İsletmeleri Ticaret ve Turizm Anonim Sirketi
LGM Guvenlik Hizmetleri Anonim Sirketi
Limak-GMR Adi-Oratakli
GMR Holding (Malta) Limited
GMR Infrastructure (Malta) Limited
GMR Infrastructure (Netherlands) BV
GMR Holdings (Overseas) Limited
GMR Holdings (Overseas) Investments Limited
GMR Holdings (Mauritius) Limited
Crossridge Investments Limited
Island Power Projects (Cyprus) Limited
Toridon Enterprises Limited
GMR International FZE
GMR Ventures (Mauritius) Limited.
GMR Ventures PTE Limited
GMR Holding PTE Limited
GMR Ventures (UK) Limited
GMR Infra Holdings (Mauritius) Limited
GMR International (Mauritius) Limited
GMR Infra (Overseas) Limited

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report together with the audited accounts of your Company for the year ended March 31, 2011.

Financial Results

You are aware that your Company has a unique business model. Your Company, as a holding company, operates in four different business sectors - Energy, Airports, Highways and Urban Infrastructure through various subsidiaries and associate companies. Your Company in the previous year commenced the Engineering, Procurement and Construction (EPC) business as a separate operating division which mainly caters to the requirements for implementing the projects undertaken by the subsidiaries. During the year, your Company through its subsidiaries took over the Male International Airport in Maldives and has started the operations and development of the Airport.

The Company's revenue, expenditure and results of operations are presented through consolidated financial statements and the details given below show both the consolidated and standalone financial results.

Presented below are the consolidated financial results of your Company:

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Gross revenue	6,425.04	5,123.42
Fee paid to Airports Authority of India	651.26	556.91
Net Revenue	5,773.78	4,566.51
Operating and administrative expenditure	4,218.29	3,202.20
EBITDA	1,555.49	1,364.31
Other Income	311.30	291.34
Interest and Finance Charges	1,230.06	850.28
Depreciation / Amortisation	860.92	612.24
Exceptional Items :		
Provision for diminution of investment	(938.91)	-
Amounts written off in earlier years written back	140.33	-
Provisions for taxation (including deferred tax and MAT Credit entitlement)	23.90	(32.21)
(Loss)/Profit after tax and before minority interest and share of Profits / (Losses) of associates (PAT)	(1,046.67)	225.34
Share of Profit / (Losses) of Associates	(3.46)	(21.58)
Minority Interest – (Profits) / Losses	120.49	(45.36)
(Loss)/Profit after tax after Minority interest and share of profit / (loss) of associates	(929.64)	158.40

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Surplus brought forward from previous year	914.12	778.36
Profit / (Loss) available for appropriation	(15.52)	936.76
Appropriations / Adjustments	(43.29)	22.64
Available (Deficit)/Surplus carried to balance sheet	(58.81)	914.12
Earnings per share (Rs.) (Face value of Re. 1/- each) - Basic and Diluted	(2.40)	0.43

Consolidated gross revenue grew by 25.41 % from Rs. 5,123.42 Crore to Rs. 6,425.04 Crore and net revenue by 26.44 % from Rs. 4,566.51 Crore to Rs. 5,773.78 Crore. Airport, Energy, Highways, EPC and other segments contributed Rs. 3,021.52 Crore (47.03 %), Rs. 2,185.84 Crore (34.02 %), Rs. 390.25 Crore (6.07 %), Rs. 515.26 Crore (8.02 %) and Rs. 312.17 Crore (4.86 %) respectively to the gross revenue.

EBITDA has grown by 14.01 % as compared to the previous year from Rs. 1,364.31 Crore to Rs. 1,555.49 Crore. PAT has gone down from Rs. 225.34 Crore to a negative PAT of Rs. (1,046.67) Crore mainly due to provision for diminution of investment, higher depreciation and interest charges. Most of the projects are in their initial phase of operations wherein the capacity costs tend to be higher and revenue optimization is yet to accrue.

The negative PAT for the year was primarily on account of exceptional, one time and non-recurring loss of Rs. 938.91 Crore from the divestment of InterGen N.V. Of this loss, Rs.366 Crore was due to the reversal of incomes (success fee, interest on debentures invested for the acquisition of InterGen N.V., asset management fee) earlier accounted.

Presented below are the standalone financial results of your Company:

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Gross revenue	727.40	169.36
Operating and administrative expenditure	487.84	95.09
EBITDA	239.56	74.27
Other Income	5.46	9.42
Interest and finance charges	174.14	69.11
Depreciation	4.91	0.94
Profit before tax	65.97	13.64
Provisions for taxation (including deferred tax and fringe benefit tax)	7.09	0.19
Profit after tax	58.88	13.45
Surplus brought forward from previous year	277.48	251.04
Amount available for appropriation	336.36	264.49
Appropriations		
Debenture redemption reserve	37.73	(12.99)
Surplus carried to balance sheet	298.63	277.48
Earnings per share (Rs.) - Basic and Diluted	0.15	0.04

The gross revenue of your Company on standalone basis has gone up by 329.50 % from Rs. 169.36 Crore to Rs. 727.40 Crore primarily due to increased revenue from EPC segment of Rs. 439.01 Crore. The increase in operating and administrative expenditure from Rs. 95.09 Crore to Rs. 487.84 Crore is mainly due to operating expenses of construction division. Increase in interest expenditure from Rs. 69.11 Crore to Rs.174.14 Crore is on account of interest on borrowings made during the year to meet the increased requirement of funds for investments.

Dividend

Your Company's strength lies in identification, planning, execution and successful implementation of the projects in the infrastructure space. To strengthen the long-term prospects and ensuring sustainable growth in assets and revenue, it is important for your Company to evaluate various opportunities in the different business verticals in which your Company operates. Your Company currently has several projects under implementation and continues to explore newer opportunities, both domestic and international.

Your Board of Directors considers this to be in the strategic interest of the Company and believes that this will greatly enhance the long term shareholders' value. In order to fund these projects in their development, expansion and implementation stages, conservation of funds is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2010-11.

Subsidiary companies

As a purposeful strategy, your Company carries its business operations through several subsidiary and associate companies which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of a majority stake in existing enterprises, mainly due to the requirement of concession agreements. As on March 31, 2011, your Company had 121 subsidiary companies apart from other joint ventures / associate companies. The complete list of subsidiary companies as on March 31, 2011 is provided as Annexure 'A' to this report.

Review of Operations/Projects of Subsidiary Companies

The detailed review of operations of each subsidiary's business is presented in the respective company's Directors' Report; a brief overview of the major developments thereof is presented below. Further, the Management Discussion and Analysis, forming part of the Report, also brings out a brief review of the business operations of various subsidiaries and associates.

Airport Sector

Airports business of your Company consists of two operating airports in India at New Delhi and Hyderabad and two airports abroad at Istanbul in Turkey and Male in Maldives. Significant developments in these assets during the year are briefly presented below:

Delhi International Airport Private Limited (DIAL)

DIAL, a Joint Venture (JV) between GMR Group (54%), Airports Authority of India (AAI) (26%), Fraport AG Frankfurt Airport Services Worldwide (Fraport) (10%) and Malaysia Airports Holdings Berhad (MAHB) (10%) has entered into a long-term agreement to operate, manage and develop the Indira Gandhi International Airport (IGIA), New Delhi.

DIAL achieved an important milestone of successful delivery of new integrated terminal, T3 at IGIA, New Delhi in time for the Commonwealth Games as per schedule and commencement of T3 commercial operation without any major glitches.

The other significant developments during the current year are:

- Opened Transit Hotel with 40 rooms for domestic and 60 rooms for international passengers;
- On the Airlines marketing front, 5 new airlines have started operations during 2010-11.

DIAL recorded passenger traffic of 29.94 million in 2010-11, which is an overall growth of 14.7 % over the previous year. Cargo volume has touched 600,000 tonnes (MT) for the year 2010-11, an overall growth of 20 % over the previous year.

Indira Gandhi International Airport in the year 2010 has been conferred with the following accolades:

- Rated for the second consecutive year as the 4th Best Airport in the World in the category of airports handling 15-25 million passenger per annum;
- T3 of Indira Gandhi International Airport is the first airport in the world to be awarded the Leadership in Energy and Environmental Design (LEED) NC Gold rating;
- "Best International Project" by British Construction Industry Award (BCIA) for the best International Project among 180 International Projects;
- "Best Infrastructure Award" and "PPP Project of the Year" - KPMG Infrastructure Awards 2010.

GMR Hyderabad International Airport Limited (GHIAL)

GMR Hyderabad International Airport Limited (GHIAL) is a joint venture company promoted by the GMR Group (63%) in partnership with the Airports Authority of India (AAI) (13%), Government of Andhra Pradesh (13%) and Malaysia Airports Holdings Berhad (MAHB) (11%). GHIAL has set up India's first Greenfield Airport, Rajiv Gandhi International Airport (RGIA) at Shamsabad, Hyderabad.

The key highlights for the current year are:

- RGIA was declared world's no.1 airport for the second consecutive year in the 5-15 million passenger category by Airport Council International (ACI) with Airport Service Quality overall score of 4.51 on a scale of 1 - 5. It also won 'Best Airport in India' National Tourism Award 2009-10 by Ministry of Tourism, Government of India;
- Approval received in November, 2010 for hike in User Development Fee (UDF);
- Airline Marketing's efforts aimed at establishing Hyderabad Airport as South and Central India's gateway and hub of choice have resulted in additional routes and schedules. An agreement has been signed with Spice Jet to improve and strengthen regional connectivity out of Hyderabad. Similarly, MOU was signed with Lufthansa Cargo AG (LCAG) for making Hyderabad as Pharma Hub for LCAG and joint marketing of the facility;
- MAS-GMR MRO (Maintenance, Repair and Overhauling) achieved Financial Closure during the year;

- Hyderabad Duty-Free (fully owned subsidiary of GHIAL) operations started during July, 2010. Pharma Zone operations at the Cargo terminal commenced from January 1, 2011.

In the Financial Year 2010-11, GHIAL recorded a passenger traffic of 7.63 million, a growth of 17.6% over the previous year, with international traffic growing by 11% and domestic traffic growing by 20%. Similarly cargo traffic grew by about 22.89% over the previous year reaching a volume of 80,777 tonnes (MT).

Istanbul Sabiha Gokcen International Airport (ISGIA)

Your Company owns 40 % of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A.S., the company which is operating ISGIA through a BOT agreement for 20 years (extended by an additional 2 years). Other shareholders of ISGIA are Limak Holdings of Turkey with 40 % and Malaysia Airports Holdings Berhad (MAHB) with 20 % stake. The Consortium took over the operations as of May 2008 and has successfully inaugurated the new integrated passenger terminal with a capacity of 25 million passengers on October 31, 2009.

Important highlights for the year are:

- ISGIA was selected as the Best Airport at the World Low Cost Airlines Awards on September 29, 2010 in London. The award was given post nomination and voting by 38 international airlines;
- The declared airside capacity of ISGIA has increased to 32 Air Traffic Movement (ATM)/ hour from the previous 28 ATM/ hour by building a perimeter road around the airport to reduce runway crossings;
- 16 new airlines started flights out of ISGIA during the year;
- The prestigious journal called Risk Management Monitor named ISGIA to be amongst the 5 safest places on earth with its unique earthquake ready infrastructure;
- ISGIA closed the Calendar Year 2010 with 11.6 million passengers, which corresponds to a 75 % growth compared to the previous year. It continues to rank among the fastest growing airports in the world.

GMR Male International Airport Private Limited (GMIAL)

GMIAL is a Brownfield airport in Male, capital city of Maldives through a partnership between GMR Group (77 %) and Malaysia Airports Holdings Berhad (MAHB) (23 %). The bid was won through an international bid process run by International Finance Corporation (IFC) amidst stiff competition.

The Concession agreement was signed on June 28, 2010 by the Company. The key highlights are:

- Took over the operations of airport on November 25, 2010 - 4 months ahead of schedule;
- Traffic has grown over 10 % in the months of operation compared to same months last year;
- Rolled out Terminal improvement plan and service quality improvement initiatives to improve service levels.

Energy Sector

The year under review was a significant year for the Energy Sector of your Company which now has 3 operating assets and 13 projects under different stages of construction or development.

New Initiatives

- Your Company has made a foray into transmission sector winning two projects in Rajasthan;
- Your Company has also made a foray into renewable energy undertaking a 25 MW solar project in Gujarat which is expected to be completed in the Financial Year 2011-12; and
- A 2.1 MW Wind Turbine is being set up in Gujarat which is likely to be commissioned by July 2011.

Operating Assets update

- Successfully commissioned GMR Energy Limited barge on combined cycle at Kakinada;
- GMR Vemagiri power plant won the prestigious National Energy Conservation award on December 14, 2010 in recognition of its energy conservation measures;
- Social Accountability - 8000 system was implemented, with initial audit conducted by Det Norske Veritas (DNV) and certification was obtained for the Chennai Power Plant;
- GMR Power Corporation Limited (GPCL) also obtained favorable decision from Appellate Tribunal on commercial issues with Tamil Nadu Electricity Board (TNEB).

Projects update

- The construction activities are in advanced stages in 3 thermal projects (Rajahmundry, Kamalanga and EMCO), which are due to start commercial operations in the calendar year 2012;
- Achieved financial closure of the 768 MW Rajahmundry and 1370 MW Chhattisgarh Energy Projects;
- Approval of the Kamalanga Project expansion by one unit of 350 MW; EPC contract has been awarded for the same;
- Significant progress in development of the coal mines in Indonesia which is expected to start production during Financial Year 2011-12;
- EPC contract placed on consortium of Siemens – Samsung for Island Power Plant at Singapore;
- Environmental Clearance obtained and Implementation Agreement signed with Government of Himachal Pradesh for Bajoli Holi Project;
- Your Company increased its investment to a majority stake in Homeland Energy Group (HEG) towards its long term strategy for fuel security. The management team of HEG has been strengthened to ensure profitable operations.

Your Company is on track to implement several other projects which are under different stages of construction and development. These projects are coal based 1370 MW SJK Powergen project and the hydroelectric power projects - (i) 300 MW Alaknanda power project on the Alaknanda River in the State of Uttarakhand, (ii) 160 MW Talong power project in East Kameng district in the State of Arunachal Pradesh, (iii) 600 MW Upper Marsyangdi power project in Nepal; and (iv) 900 MW Upper Karnali power project in Nepal.

Highways

Your Company operates the following six highways across India measuring a total length of around 1684 lane kms:

Three Annuity based highways:

- Tuni - Anakapalli;
- Tambaram - Tindivanam;
- Adloor Yellareddy - Gundla Pochanpalli.

Three Toll based highways:

- Ambala - Chandigarh;
- Thondapalli – Jadcherla;
- Tindivanam - Ulundurpet.

During the financial year under review, your Company has been successful in achieving financial closure of the three new projects in the Highways Sector and has made significant progress in the execution of these projects. These are:

- The 1090 lane km Hyderabad - Vijayawada toll project;
- The 178 lane km Chennai Outer Ring Road annuity project;
- The 376 lane km Hungund – Hospet toll project.

Urban Infrastructure

Your Company is developing SEZs in Krishnagiri and Kakinada and two Aerotropolis around the Delhi and Hyderabad Airports as part of this sector. The major developments are:

Krishnagiri and Kakinada SEZ

Pursuant to a memorandum of understanding entered into with the State of Tamil Nadu, SEZ is being developed in Krishnagiri district in the State of Tamil Nadu, through a joint venture with Tamil Nadu Industrial Development Corporation. The Krishnagiri SEZ is expected to cater to biotechnology, information technology, traditional electronics and engineering sectors.

The Krishnagiri SEZ is planned to be spread over 3,000 acres, major portion of which has already been acquired. Commercial operation of this SEZ is expected to commence in 2014.

Your Company has acquired a majority stake in Kakinada SEZ Private Limited and is developing the area as a Special Investment Region. Conceptual Master plans have been developed through reputed international consultants.

Aerotropolis Development

Your Company is developing airport cities around the Delhi and Hyderabad Airports to match world class standards. The Delhi Airport Aerocity is in its first phase of development, which may ultimately cover up to 5% of the 5,100 acres of the land area of Delhi Airport. The hospitality district is envisaged to be developed in the first phase of property development to bring in leading national and international brands of hotels. A total of 45 acres of land divided into 14 asset areas has been leased out. 7 asset areas (21.8 acres) were awarded to successful bidders in 2008-09 during the first round of bidding and the remaining 7 assets were successfully awarded during 2009-10. The second phase development is expected to start in Financial Year 2011-12. Delhi Airport Express Metro services commenced operations during the year under review. Infrastructure development activities for the hospitality district will be completed and some of the hotels will start functioning during Financial Year 2011-12.

The Hyderabad Aerotropolis is envisaged on 1,000 acres of commercial land around the Hyderabad Airport. Your Company has plans to develop the Hyderabad Aerotropolis on a theme based development. The Company employed reputed international consultants and has completed the Master planning of the Aerotropolis development. Several themes have been identified and feasibility established for some of them and these are in advanced stage of planning. Financial closure and construction is likely to happen during Financial Year 2011-12. The airport based hotel, Hyderabad Airport Novotel has improved its operations substantially as compared to the previous years.

Aviation Business

The Group's Corporate Aviation business consists of chartering business jets both to the Group companies as well as to third parties. It is presently focusing on external charter growth to reduce dependence on the group for its financing needs. The Company's wholly owned subsidiary, GMR Aviation Private Limited (GAPL) has a young fleet comprising of short-haul and long-haul planes and helicopters with experienced crew and operational staff. The fleet includes Falcon and Hawker aircraft and Bell helicopter. During the year, GAPL has procured one Bell 412 twin engine helicopter and the same is being actively utilized for external charters.

InterGen N.V.

Your Company, through its step-down subsidiary, GMR Energy Global Limited (GEGL), had entered into necessary arrangements to acquire 50% economic stake in InterGen N.V. In this regard it had subscribed to the Compulsory Convertible Debentures (CCDs) issued for this purpose, by a fellow subsidiary, GMR Holding (Malta) Limited (GHML), a step down subsidiary of GMR Holdings Private Limited, the Company's Holding Company. The said fellow subsidiary, GHML, had acquired the 50% stake in InterGen N.V. through its step down subsidiary GMR Infrastructure (Malta) Limited (GIML) for USD 1,135 million through a mix of external borrowings of USD 1,107 million (under the guarantees extended by your Company) and the balance was funded through CCDs as above. Your Company has extended further funding support to GHML by subscribing to additional CCDs to meet the interest, transaction / carrying costs.

Due to the changed economic environment in overseas markets and the group's intention of renewed focus in developing large energy assets within India for which opportunities are opening up due to sustained economic growth of India fuelling huge demand for power, during the year ended March 31, 2011, GIML was advised to sell the investment in InterGen N.V. Accordingly, GIML entered into an agreement with Overseas International Inc. Limited, an associate of China Huaneng Group to sell the investment in InterGen N.V. for USD 1,232 million.

On consummation of the transaction during April 2011, after due regulatory approvals, GHML has repaid the loans availed from the banks in full but could repay the CCDs in part only after meeting the interest, transaction / carrying costs. Thus GEGL has recorded a one time loss of Rs. 938.91 Crore, which is disclosed as an exceptional item in the consolidated financial results.

Though the divestment of InterGen N.V. has resulted in a one time and non-recurring loss of Rs. 938.91 Crore, it has released an equity capital of Rs.958 Crore that would enable the Company to reinforce its focus and deploy resources on more profitable Assets.

Risk Management

As an enterprise with presence in different segments of Infrastructure industry, your Company is exposed to a number of risks, having potential to impact the businesses in varying measures. Your Company realizes that it is imperative to identify and address these risks and leverage opportunities in order to achieve the objectives that it has set for itself.

During the year, your Company revised the risk management framework in line with ISO 31000 in order to bring it in line with current Enterprise Risk Management (ERM) best practices and effectively address the emerging challenges in a dynamic business environment.

Significant developments during the year include:

- Revised ERM Framework deployed across all Key Business Sectors;
- Top risks at the Group, Sector and Business Unit level are being profiled for treatment and regular monitoring of risks;
- Awareness of risks among employees being improved through Risk Newsletters, regular updates on risks and training programmes;
- Development of a Bid / Opportunity screening framework with detailed parameters;
- Extended the scope of ERM to build resilience through Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP).

The output of ERM process in the form of identified top risks served as a critical input for the Company's Strategic / Annual Operating planning exercise.

The ERM Team presents to the Management and the Audit Committee of the Board, the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process.

A detailed note on risks and concerns affecting the businesses of your Company is provided in Management Discussion and Analysis.

Developments in Human Resources and Organisation Development

Your Company has robust process of human resources development which is described in detail in Management Discussion and Analysis under the heading "Developments in Human Resources and Organisation Development at GMR Group".

Consolidated financial statements

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss account of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA), Government of India vide its Circular No.2 / 2011 dated February 8, 2011 has provided an exemption to the companies from complying with section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be available to the investors of the Company upon request. These documents will also be available for inspection during business hours at the registered office of the Company.

The statement pursuant to the aforesaid circular of the MCA about financial information of each subsidiary containing details of (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend are provided as Annexure 'B' to this report. However, the financial statements of GMR Corporate Centre Limited (GCCL) are not consolidated, since GCCL is a guarantee company having no share capital and commercial operations.

As required by Accounting Standard - 21 and Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of your Company and its subsidiaries are attached.

Changes in Share capital

As you are aware, during the year under review your Company completed issue of 225,080,390 equity shares of Re.1 each at a price of Rs.62.20 per equity share, including premium of Rs.61.20 per equity share, aggregating to Rs.1,400 Crore to Qualified Institutional Buyers (QIBs) as per Chapter VIII of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, through the Qualified Institutional Placement (QIP). The QIP opened for subscription to QIBs on April 15, 2010 and closed on April 19, 2010. The entire money amounting to Rs.1,400 Crore was received and allotment of shares was made on April 21, 2010. Consequent to this allotment, the listed equity share capital has increased from Rs. 3,667,354,392 to Rs. 3,892,434,782.

The Company has paid the listing fees payable to the BSE and the NSE for the Financial Year 2011-12.

Directors

Mr. O. Bangaru Raju, Mr. R. S. S. L. N. Bhaskarudu, Dr. Prakash G Apte and Mr. Kiran Kumar Grandhi, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment for your approval. The profiles of the above Directors are given under the section "Board of Directors" in the Report of Corporate Governance attached to the Annual Report.

Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising 'Group' are disclosed in the Annual Report for the purpose of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended March 31, 2011, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any;
2. That the Directors have 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 the end of the financial year and of the profit of the Company for the year;
3. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended March 31, 2011, on a going concern basis.

Corporate Governance

Your Company continuously works at improving its governance practices and processes. Your Company strives to ensure that the best practices are identified, adopted and followed and has also developed a framework for corporate governance and a roadmap for forward thinking corporate governance practices.

A detailed report on Corporate Governance practices followed by your Company, in terms of Clause 49 (VI) of the Listing agreement with Stock Exchanges, is provided separately in this Annual Report.

Secretarial Audit

As per SEBI requirement, Reconciliation of Share Capital Audit is being carried out at specific periodicity by a Practicing Company Secretary. The findings of the audit have been satisfactory.

In addition, Secretarial audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the Financial Year ended March 31, 2011, is provided in the Annual Report.

Awards and Recognitions

During the period under review, your Company and its subsidiaries / associates have received the following awards / recognitions:

- Indira Gandhi International Airport (IGIA), New Delhi has been ranked 12th out of 154 participant Airports in overall category based on Airport Service Quality (ASQ) score and selected for Airport Council International (ACI) Director General's Recognition Award;
- Award for "Airport with Most New 'Non – Regional' Routes" for IGIA;
- Greentech Gold Award for Environmental Excellence in Infrastructure Sector for the year 2010 for IGIA; and
- Rajiv Gandhi International Airport (RGIA), Hyderabad was adjudged world's no.1 airport for second consecutive year in 5 -15 million passenger category by ACI.

Management Discussion and Analysis (MDA)

The MDA, forming part of this report, as required under Clause 49(IV)(F) of the Listing Agreement with the stock exchanges is attached separately in this Annual Report.

Auditors and Auditors' Report

M/s. S.R. Batliboi & Associates, Chartered Accountants, the statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have offered themselves for re-appointment as statutory auditors and have confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation. There are no qualifications or adverse remarks in the auditors' report which require any clarification or explanation.

Corporate Social Responsibility (CSR)

With a belief that corporates have a special and continuing responsibility towards social development, GMR Group is undertaking CSR activities on a significant scale through GMR Varalakshmi Foundation (GMRVF). The Vision of GMR Group's CSR activities is to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. Towards this, GMRVF works with the communities neighbouring GMR Group's businesses for their economic and social development thus making them to grow along with the business. Currently, Foundation is working in about 190 villages / urban communities across 22 locations including two in Nepal. The locations in India are spread across different states namely Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, New Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu and Uttarakhand. The activities of GMRVF under its various thrust areas are covered elsewhere in the Annual Report.

Environmental Protection and Sustainability

Your Company believes in integrating strong Environmental Management practices into its industrial enterprises across all processes. Several unique schemes have been implemented to prevent pollution and conserve natural resources to achieve sustainable development.

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorized agencies. Continuous Ambient Monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like Stack emissions, ambient air quality, etc are maintained well within the stipulated norms.

Vemagiri and Chennai units are certified with OHSAS 18001, ISO 14001 and ISO 9001. At Chennai plant, fully integrated Sewage Water Treatment Plant (STP) has been set up including Reverse Osmosis (RO) process for treating 10% of Chennai plant's total sewage saving fresh water intake of 5400 m3 per day, which is equivalent to the water use by 100000 people. The treated STP water is used for cooling operations and green belt development. Waste Heat Recovery Boilers generate steam for use in indirect heating of fuel storage tanks and pipelines. Solar energy is used to lighten the boundary fence.

At Vemagiri Plant, the Gas Turbine uses the advanced Dry Low NOx (DLN 2.0 +) burner system to reduce NOx emissions at source. Waste heat from Gas Turbine is used for power production in Steam Turbine through Heat Recovery Steam Generator (HRSG). Reuse of Steam Condensate and HRSG is designed for zero make up.

At GHIAL, special environmental friendly design features have been incorporated for power savings by using natural sun light. The Lighting per square foot in the passenger terminal block uses only 0.9 watts of energy as against the minimum of 1.3 watts prescribed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers. Process has been put in place for effective waste management system and for reduction of carbon footprint.

DIAL has won Greentech Gold Award for Environmental Excellence in Infrastructure Sector for the year 2010. The Greentech award is presented to company in recognition of outstanding achievements in the field of environment protection on the basis of evaluation of performance every year. T3 of Indira Gandhi International Airport is the first amongst the world's airports to be awarded the Leadership in Energy and Environmental Design (LEED) NC Gold rating. DIAL is certified for its implemented Environmental Management System ISO 14001:2004. At DIAL, an integrated Aircraft Noise Monitoring System (ANMS) has been put in place in conjunction with the airlines and other airport stakeholders such as AAI, Directorate General of Civil Aviation and Air Traffic Control which will help DIAL to monitor and measure the aircraft noise.

DIAL has undertaken the following pollution abatement steps during the reporting period:

- Sewage Treatment Plant operational with advanced tertiary treatment viz. ultra filtration and RO technique and latest water treatment equipment to achieve zero water discharge plan. The entire treated water is being utilized for air-condition cooling i.e. Heating Ventilating and Air Conditioning (HVAC) and horticulture activities;
- Advanced stage of issuance of Certified Emission Reduction (CER) for energy reduction measure taken at T3 terminal by United Nations Framework Convention on Climate Change (UNFCCC) - Clean Development Mechanism (CDM); and
- In new T3 terminal, DIAL has incorporated capability for segregation of waste at source using twin bin system i.e. food and recyclables by passengers, concessionaires and all service providers.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Particulars as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure "C" included in this report.

Particulars of employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of employees are set out in the Annexure 'D'. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Fixed Deposits

During the year under review, the Company has not accepted any deposits from the public.

Acknowledgments

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from customers, investors, lenders, business associates, banks, financial institutions, shareholders, various statutory authorities and society at large. Your Directors also place on record, their appreciation for the contribution, commitment and dedication of the employees of the Company and its subsidiaries at all levels.

For and on behalf of the Board

Sd/-
G. M. Rao
Executive Chairman

Place: Bengaluru
Date : May 30, 2011

Annexure 'A' to the Directors' Report
GMR Infrastructure Limited - Subsidiaries

Sector	Direct Subsidiaries	Subsidiaries to Subsidiaries						
Airports	Delhi International Airport Pvt. Ltd. (DIAL)	Subsidiaries of DIAL						
		East Delhi Waste Processing Company Pvt Ltd.	Delhi Aerotropolis Pvt Ltd.					
	GMR Airports Holding Ltd. (GAHL)	Subsidiaries of GHIAL	Subsidiary of GADL	Subsidiary of GADLML				
		GMR Airport Developers Ltd. (GADL)	GADL (Mauritius) Ltd. (GADLML)	GADL International Ltd.				
	GMR Hyderabad International Airport Ltd. (GHIAL)	Subsidiaries of GHIAL						
		GMR Hyderabad Aerotropolis Ltd.	GMR Hyderabad Airport Resource Management Ltd.	Hyderabad Airport Security Services Ltd.	Hyderabad Menzies Air Cargo Pvt. Ltd.	GMR Hyderabad Aviation SEZ Ltd.	GMR Hyderabad Multiproduct SEZ Ltd.	GMR Hotels and Resorts Ltd.
	Gateways for India Airports Pvt. Ltd.	Subsidiaries of GHIAL						
		GMR Airport Handling Services Company Ltd.	Hyderabad Duty Free Retail Ltd.					
Energy	GMR Renewable Energy Ltd. (GREL)	Subsidiary of GREL	Subsidiaries of GEL					
		GMR Energy Ltd. (GEL)	GMR Vemagiri Power Generation Ltd.	GMR Mining & Energy Pvt. Ltd.	SJK Powergen Ltd.	GMR Kamalanga Energy Ltd.	GMR Consulting Services Pvt.Ltd.	GMR Rajahmundry Energy Ltd.
	GMR Energy Trading Ltd. (GETL)	Subsidiaries of GEL						
		GMR Power Corporation Ltd.	GMR Indo-Nepal Power Corridors Ltd.	GMR Indo-Nepal Energy Links Ltd.	GMR Chhattisgarh Energy Ltd.	GMR Bajoli Holi Hydropower Pvt. Ltd.	GMR Londa Hydropower Pvt. Ltd.	GMR Kakinada Energy Pvt. Ltd.
	GMR Power Infra Ltd.	Subsidiaries of GEL						
		Emco Energy Ltd.	Badrinath Hydro Power Generation Pvt. Ltd.	GMR Gujarat Solar Power Pvt. Ltd.	Himtal Hydro Power Company Pvt. Ltd.	GMR Maharashtra Energy Ltd.	GMR Bundelkhand Energy Pvt. Ltd.	GMR (Badrinath) Hydro Power Generation Pvt. Ltd.
		Subsidiaries of GEL						
		Aravali Transmission Service Company Ltd.	Maru Transmission Service Company Ltd.	GMR Hosur Energy Ltd.	GMR Coastal Energy Pvt Ltd.	GMR Uttar Pradesh Energy Pvt. Ltd.	GMR Energy (Mauritius) Ltd. (GEML)	Homeland Energy Group Ltd. (HEGL)
		Subsidiary of GEML	Subsidiary of GEML	Subsidiary of GECL	Subsidiary of GEN	Subsidiary of PTDSU	Subsidiary of PTDSI	Subsidiary of GEN
		GMR Lion Energy Ltd. (GLEL)	GMR Energy (Cyprus) Ltd. (GECL)	GMR Energy (Netherlands) BV (GEN)	PT Dwikarya Sejati Utama (PTDSU)	PT Duta Sarana Internusa (PTDSI)	PT Barasentosa Lestari	PT Unsoco
		Subsidiary of GEML	Subsidiary of GEML	Subsidiary of GLEL	Subsidiary of HEGL	Subsidiary of HEC	Subsidiary of HEC	Subsidiary of HEC
		Karnali Transmission Company Pvt. Ltd.	Marsyangdi Transmission Company Pvt. Ltd.	GMR Upper Karnali Hydropower Ltd.	Homeland Energy Corp. (HEC)	Homeland Mining & Energy SA (Pty) Ltd. (HMEL)	Homeland Energy (Swaziland) (Pty) Ltd.	Homeland Coal Mining (Pty) Ltd.

Annexure 'A' to the Directors' Report
GMR Infrastructure Limited - Subsidiaries

Sector	Direct Subsidiaries	Subsidiaries to Subsidiaries						
Highways		Subsidiary of HEC	Subsidiary of HMBL	Subsidiary of HMEL	Subsidiary of HMEL	Subsidiary of FCHL	Subsidiary of FCHL	
		Homeland Mining and Energy (Botswana) (Pty) Ltd. (HMBL)	Wizard Investments (Pty) Ltd.	Corpclo331 (Pty) Ltd.	Ferret Coal Holdings (Pty) Ltd. (FCHL)	Ferret Coal (Kendal) (Pty) Ltd.	Manoka Mining (Pty) Ltd.	
	GMR Highways Ltd. (GHL)	Subsidiaries of GHL						
		GMR Pochanpalli Expressways Ltd.	GMR Jadcherla Expressways Pvt. Ltd.	GMR Ulundurpet Expressways Pvt. Ltd.				
	GMR Ambala-Chandigarh Expressways Pvt. Ltd. GMR Tambaram – Tindivanam Expressways Pvt. Ltd. GMR Tuni – Anakapalli Expressways Pvt. Ltd. GMR Hyderabad Vijayawada Expressways Pvt. Ltd. GMR Chennai Outer Ring Road Pvt. Ltd. GMR OSE Hungund Hospet Highways Pvt. Ltd.							
Urban Infrastructure	GMR SEZ & Port Holdings Pvt. Ltd. (GSPHPL)	Subsidiaries of GSPHPL						
		Advika Properties Pvt. Ltd.	Bougainvillea Properties Pvt. Ltd.	Aklima Properties Pvt. Ltd.	Amartya Properties Pvt. Ltd.	Baruni Properties Pvt. Ltd.	Camelia Properties Pvt. Ltd.	Eila Properties Pvt. Ltd.
	GMR Krishnagiri SEZ Ltd.	Subsidiaries of GSPHPL						
		Gerbera Properties Pvt. Ltd.	Lakshmi Priya Properties Pvt. Ltd.	Honeysuckle Properties Pvt. Ltd.	Idika Properties Pvt. Ltd.	Krishnapriya Properties Pvt. Ltd.	Nadira Properties Pvt. Ltd.	Prakalpa Properties Pvt. Ltd.
		Subsidiaries of GSPHPL						
		Purnachandra Properties Pvt. Ltd.	Shreyadita Properties Pvt. Ltd.	Sreepa Properties Pvt. Ltd.	Deepesh Properties Pvt. Ltd.	Padmapriya Properties Pvt. Ltd.	Kakinada SEZ Pvt. Ltd.	Larkspur Properties Pvt. Ltd.
Corporate & International Business	GMR Infrastructure (Mauritius) Ltd. (GIML)	Subsidiaries of GIML						
		GMR Male International Airport Pvt. Ltd.	GMR Infrastructure (UK) Ltd.	GMR Infrastructure (Singapore) PTE. Ltd. (GISL)	GMR Infrastructure (Cyprus) Ltd. (GICL)	GMR Infrastructure Overseas Sociedad Limitada	GMR International (Malta) Ltd. (GIMAL)	GMR Infrastructure Investments (Singapore) PTE. Ltd.
	GMR Corporate Affairs Pvt Ltd.	Subsidiary of GICL	Subsidiary of GIGL	Subsidiary of GEGL	Subsidiary of GISL	Subsidiary of GISL	Subsidiary of GESPL	Subsidiary of GIMAL
		GMR Infrastructure (Global) Ltd. (GIGL)	GMR Energy (Global) Ltd. (GEGL)	GMR Energy Projects (Mauritius) Ltd.	Island Power Intermediary PTE. Ltd.	GMR Energy (Singapore) PTE. Ltd. (GESPL)	GMR Supply (Singapore) PTE. Ltd.	GMR Holdings Overseas Spain, S.L.U
	GMR Corporate Centre Ltd. Dhruvi Securities Pvt. Ltd. GMR Aviation Pvt Ltd.							

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956.

(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	GMR Airports Holding Limited	580.76	691.71	1,285.39	12.92	896.50	12.21	10.12	1.97	8.15	-
2	GMR Krishnagiri SEZ Limited	117.50	(2.75)	317.26	202.50	12.80	-	(0.33)	0.03	(0.36)	-
3	GMR Aviation Private Limited	86.44	(16.02)	398.45	328.02	-	76.09	0.40	0.16	0.24	-
4	GMR SEZ & Port Holdings Private Limited	47.99	(0.34)	282.68	235.03	100.00	-	(0.33)	-	(0.33)	-
5	Advika Properties Private Limited	0.01	(0.00)	7.01	7.01	-	-	0.00	0.00	0.00	-
6	Aklima Properties Private Limited	0.01	0.00	4.10	4.09	-	-	0.01	0.00	0.01	-
7	Amartya Properties Private Limited	0.01	(0.01)	8.25	8.24	-	-	(0.00)	-	(0.00)	-
8	Baruni Properties Private Limited	0.01	(0.00)	6.12	6.11	-	-	(0.00)	-	(0.00)	-
9	Bougainvillea Properties Private Limited	0.01	0.63	27.24	26.60	0.44	-	0.90	0.28	0.62	-
10	Camelia Properties Private Limited	0.01	(0.02)	5.98	6.00	-	-	(0.02)	-	(0.02)	-
11	Deepesh Properties Private Limited	0.01	1.35	50.11	48.75	-	-	2.05	0.70	1.35	-
12	Eila Properties Private Limited	0.01	(0.00)	7.45	7.45	-	-	(0.00)	-	(0.00)	-
13	Gerbera Properties Private Limited	0.01	0.02	6.53	6.50	-	-	0.03	0.01	0.02	-
14	Lakshmi Priya Properties Private Limited	0.01	(0.00)	7.26	7.26	-	-	(0.00)	-	(0.00)	-
15	Honeysuckle Properties Private Limited	0.01	0.15	16.84	16.68	-	-	0.22	0.07	0.15	-
16	Idika Properties Private Limited	0.01	(0.00)	6.37	6.36	-	-	(0.00)	-	(0.00)	-
17	Krishnapriya Properties Private Limited	0.01	(0.00)	5.96	5.95	-	-	(0.00)	-	(0.00)	-
18	Larkspur Properties Private Limited	0.01	(0.01)	0.41	0.40	-	-	(0.00)	-	(0.00)	-
19	Nadira Properties Private Limited	0.01	(0.00)	6.73	6.73	-	-	(0.00)	-	(0.00)	-
20	Padmapriya Properties Private Limited	0.01	0.32	49.68	49.35	-	-	0.46	0.14	0.32	-
21	Prakalpa Properties Private Limited	0.01	(0.00)	6.77	6.77	-	-	(0.00)	-	(0.00)	-
22	Purnachandra Properties Private Limited	0.01	0.01	6.85	6.83	-	-	0.01	-	0.01	-
23	Shreyadita Properties Private Limited	0.01	0.03	5.75	5.71	-	-	0.05	0.02	0.03	-
24	Sreepa Properties Private Limited	0.01	0.00	5.53	5.52	-	-	0.01	0.00	0.01	-
25	GMR Corporate Affairs Private Limited	20.00	0.47	181.53	161.05	1.00	2.00	0.11	0.11	0.00	-
26	GMR Hotels and Resorts Limited	109.66	(43.90)	231.91	166.15	0.35	40.78	(21.12)	-	(21.12)	-
27	Kakinada SEZ Private Limited	93.99	(1.14)	764.61	671.76	-	-	(0.10)	-	(0.10)	-
28	GMR Power Infra Limited	0.10	(0.04)	0.10	0.04	-	-	(0.04)	-	(0.04)	-
29	Dhruvi Securities Private Limited	208.06	832.33	1,041.39	1.01	27.38	6.87	1.77	0.82	0.95	-
30	GMR Hyderabad International Airport Limited	378.00	(57.09)	2,895.46	2,574.56	-	495.01	0.25	(103.74)	103.99	-

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956 .(contd.)

(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
31	Hyderabad Airport Security Services Limited	12.50	(0.49)	91.80	79.79	1.00	-	0.13	0.02	0.11	-
32	GMR Hyderabad Airport Resource Management Limited	0.05	0.57	4.58	3.96	-	21.12	0.26	0.08	0.18	-
33	GMR Hyderabad Aerotropolis Limited	2.18	(0.15)	7.50	5.47	-	-	(0.06)	-	(0.06)	-
34	Hyderabad Menzies Air Cargo Private Limited	19.04	14.62	54.81	21.15	-	53.72	17.18	3.49	13.69	6.23
35	GMR Hyderabad Multi Product SEZ Limited	0.05	(0.02)	0.03	0.00	-	-	(0.00)	-	(0.00)	-
36	GMR Hyderabad Aviation SEZ Limited	1.90	0.63	18.31	15.78	-	2.75	0.83	-	0.83	-
37	Gateways For India Airports Private Limited	0.01	1.48	2.44	0.95	2.10	-	2.26	0.82	1.44	-
38	Delhi International Airport Private Limited	2,450.00	(367.81)	12,542.77	10,460.58	145.65	665.88	(477.76)	(27.56)	(450.20)	-
39	Delhi Aerotropolis Private Limited	0.10	(0.07)	1.17	1.14	-	-	(0.07)	-	(0.07)	-
40	GMR Male International Airport Private Limited	135.65	46.70	842.58	650.17	-	343.50	47.68	-	47.68	-
41	Hyderabad Duty Free Retail Limited	2.00	(1.98)	17.34	15.82	-	8.23	(1.98)	-	(1.98)	-
42	GMR Airport Developers Limited	5.10	7.76	53.66	40.80	8.23	20.09	(1.61)	(0.47)	(1.14)	-
43	GMR Airport Handling Services Company Limited	0.05	(0.01)	0.04	0.00	-	-	(0.01)	-	(0.01)	-
44	GMR Energy Limited	2,690.05	887.42	5,547.88	1,970.42	154.17	351.76	83.69	17.98	65.71	1.11
45	GMR Vemagiri Power Generation Limited	274.50	(83.72)	1,016.18	825.41	16.63	743.97	88.66	44.25	44.41	-
46	GMR Power Corporation Limited	247.50	365.58	1,081.87	468.79	187.93	760.87	96.67	18.89	77.78	-
47	GMR Lion Energy Limited	13.28	(0.30)	28.04	15.06	-	-	(0.07)	-	(0.07)	-
48	GMR Mining & Energy Private Limited	0.05	(0.55)	5.02	5.53	-	-	(0.50)	-	(0.50)	-
49	GMR Consulting Services Private Limited	0.01	0.18	41.43	41.24	-	44.12	2.07	1.98	0.09	-
50	GMR Energy Trading Limited	52.00	4.49	159.31	102.82	9.37	621.12	6.57	0.96	5.61	-
51	GMR Kamalanga Energy Limited	354.68	(9.63)	1,702.12	1,357.06	42.75	-	(0.60)	(0.50)	(0.10)	-
52	GMR (Badrinath) Hydro Power Generation Private Limited	5.00	(9.25)	286.92	291.17	-	-	(2.01)	-	(2.01)	-
53	Badrinath Hydro Power Generation Private Limited	0.01	(0.01)	0.00	0.00	-	-	(0.01)	-	(0.01)	-
54	GMR Coastal Energy Private Limited	0.01	(0.04)	1.45	1.48	-	-	(0.00)	-	(0.00)	-
55	GMR Bajoli Holi Hydro Power Private Limited	0.01	(0.17)	218.13	218.29	-	-	(0.12)	-	(0.12)	-

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956. (contd.)

(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
56	EMCO Energy Limited	313.40	(4.25)	833.87	524.72	1.01	-	(1.20)	-	(1.20)	-
57	GMR Londa Hydro Power Private Limited	0.01	(0.27)	49.92	50.18	-	-	(0.05)	-	(0.05)	-
58	GMR Kakinada Energy Private Limited	0.01	(0.01)	4.44	4.44	-	-	(0.01)	-	(0.01)	-
59	GMR Chhattisgarh Energy Limited	2.00	(2.57)	1,235.12	1,235.68	6.81	-	(1.82)	(0.01)	(1.81)	-
60	SJK Powergen Limited	0.50	4.11	628.97	624.36	11.55	-	(0.04)	-	(0.04)	-
61	GMR Maharashtra Energy Limited	0.05	(0.00)	1.98	1.94	-	-	(0.00)	-	(0.00)	-
62	GMR Hosur Energy Limited	0.05	(0.00)	19.09	19.04	-	-	(0.00)	-	(0.00)	-
63	GMR Uttar Pradesh Energy Private Limited	0.01	(0.00)	0.13	0.12	-	-	(0.00)	-	(0.00)	-
64	GMR Bundelkhand Energy Private Limited	0.01	(0.00)	2.70	2.69	-	-	(0.00)	-	(0.00)	-
65	GMR Gujarat Solar Power Private Limited	0.01	(0.01)	12.22	12.22	-	-	(0.00)	-	(0.00)	-
66	East Delhi Waste Processing Company Private Limited	0.02	(0.53)	19.95	20.46	-	-	(0.49)	-	(0.49)	-
67	GMR Renewable Energy Limited	1,004.44	(1.02)	1,003.44	0.02	-	-	(2.55)	-	(2.55)	-
68	GMR Indo Nepal Energy Links Limited	0.05	(0.00)	0.15	0.10	-	-	(0.00)	-	(0.00)	-
69	Maru Transmission Service Company Limited	0.05	(0.89)	3.47	4.31	-	-	(0.01)	-	(0.01)	-
70	Aravali Transmission Service Company Limited	0.05	(0.49)	1.46	1.90	-	-	(0.01)	-	(0.01)	-
71	GMR Indo Nepal Power Corridors Limited	0.05	(0.00)	0.20	0.15	-	-	(0.00)	-	(0.00)	-
72	GMR Rajahmundry Energy Limited	493.50	(2.80)	2,311.73	1,821.03	13.31	-	(2.29)	-	(2.29)	-
73	GMR Ulundurpet Expressways Private Limited	344.17	(53.19)	978.68	687.70	5.48	69.01	(20.43)	0.01	(20.44)	-
74	GMR Pochanpalli Expressways Limited	182.50	10.61	829.89	636.78	4.88	108.36	6.24	1.26	4.98	-
75	GMR Jadcherla Expressways Private Limited	197.00	(25.99)	497.60	326.59	13.54	51.19	(3.06)	-	(3.06)	-
76	GMR Ambala Chandigarh Expressways Private Limited	216.59	(81.80)	577.74	442.95	0.73	21.71	(27.19)	0.00	(27.19)	-
77	GMR Tuni-Anakapalli Expressways Private Limited	1.00	70.05	384.20	313.15	1.39	58.97	9.48	1.97	7.51	-
78	GMR Tambaram Tindivanam Expressways Private Limited	1.00	127.04	536.69	408.65	2.22	81.00	20.19	4.06	16.13	-
79	GMR Hyderabad Vijayawada Expressways Private Limited	205.00	(2.48)	1,018.41	815.89	11.21	-	(2.37)	0.11	(2.48)	-
80	GMR Chennai Outer Ring Road Private Limited	150.00	27.59	305.88	128.29	-	-	(0.76)	0.09	(0.85)	-
81	GMR OSE Hungund Hospet Highways Private Limited	230.00	(1.27)	491.42	262.70	62.59	-	(1.26)	0.01	(1.27)	-

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(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
82	GMR Highways Limited	411.00	(14.09)	967.86	570.45	15.70	11.27	(10.82)	0.61	(11.43)	-
83	Himtal Hydro Power Company Private Limited (a)	2.83	0.17	19.53	16.54	-	-	(0.08)	0.02	(0.10)	-
84	GMR Upper Karnali Hydro Power Limited (a)	0.94	(0.32)	30.59	29.97	-	-	(0.22)	0.01	(0.23)	-
85	Karnali Transmission Company Private Limited (a)	0.21	(0.02)	0.57	0.39	-	-	(0.02)	-	(0.02)	-
86	Marsyangdi Transmission Company Private Limited (a)	0.21	(0.02)	0.58	0.39	-	-	(0.02)	-	(0.02)	-
87	GADL International Limited (b)	0.11	(3.06)	5.07	8.01	-	-	(3.12)	-	(3.12)	-
88	GMR Infrastructure (Mauritius) Limited (b)	1,446.96	(4.45)	2,043.95	601.43	-	46.09	9.10	-	9.10	-
89	GMR Infrastructure (Cyprus) Limited (b)	0.03	44.97	1,712.06	1,667.05	-	-	(1.02)	0.19	(1.21)	-
90	GMR International (Malta) Limited (b)	0.01	(0.45)	1.04	0.34	-	-	(0.29)	-	(0.29)	-
91	GMR Infrastructure (Global) Limited (b)	1,505.83	(0.95)	1,505.20	0.32	-	0.46	(0.53)	-	(0.53)	-
92	GMR Energy (Global) Limited (b)	1,504.41	(659.03)	971.31	125.93	935.22	64.10	(875.10)	-	(875.10)	-
93	GMR Energy Projects (Mauritius) Limited (b)	0.05	(0.11)	4.59	4.65	-	-	(0.11)	-	(0.11)	-
94	GADL (Mauritius) Limited (b)	0.23	(0.11)	0.18	0.06	-	-	(0.11)	-	(0.11)	-
95	GMR Energy (Mauritius) Limited (b)	190.94	(8.32)	231.94	49.32	-	-	(0.31)	0.02	(0.33)	-
96	GMR Energy (Cyprus) Limited (b)	0.02	46.85	200.69	153.82	-	-	(0.13)	-	(0.13)	-
97	GMR Energy (Netherlands) B.V. (b)	0.11	62.09	307.20	245.00	-	-	(11.00)	-	(11.00)	-
98	PT Dwikarya Sejati Utama (b)	0.49	(10.44)	121.94	131.89	-	-	(1.32)	0.08	(1.25)	-
99	PT Duta Sarana Internusa (b)	2.15	(12.25)	120.80	130.90	-	-	(2.74)	0.08	(2.67)	-
100	PT Barasentosa Lestari (b)	5.18	(5.70)	119.47	119.99	-	-	(1.46)	0.08	(1.39)	-
101	PT Unsoco (c)	0.51	0.00	0.51	-	-	-	0.01	-	0.01	-
102	GMR Holdings Overseas Spain SLU (d)	0.50	(0.50)	0.92	0.92	-	0.75	(0.12)	-	(0.12)	-
103	GMR Infrastructure Overseas Sociedad Limitada (d)	0.02	169.04	172.44	3.39	-	255.35	248.94	58.64	190.31	-
104	GMR Infrastructure (UK) Limited (e)	36.51	(36.52)	57.26	57.27		53.17	(8.73)	-	(8.73)	-
105	GMR Infrastructure (Singapore) PTE. Limited (f)	247.48	(4.26)	351.85	108.62	-	-	(3.09)	-	(3.09)	-
106	Island Power Intermediary PTE. Limited (f)	52.12	-	52.12	-	-	-	-	-	-	-
107	GMR Energy (Singapore) PTE. Limited (f)	398.78	31.64	453.22	22.80	-	180.50	165.52	-	165.52	-
108	GMR Supply (Singapore) PTE. Limited (f)	0.00	0.00	-	-	-	-	-	-	-	-

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(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
109	GMR Infrastrucuture Investments (Singapore) PTE. Limited (f)	0.00	0.00	0.00	0.00	-	-	0.00	0.00	0.00	-
110	Homeland Mining and Energy Botswana@ (g)	0.00	(2.75)	1.75	4.50	0.00	-	(0.83)	-	(0.83)	-
111	Homeland Mining & Energy SA (Pty) Limited@ (h)	0.00	5.64	280.73	275.09	10.22	1.59	14.26	4.75	9.51	-
112	Homeland Coal Mining (Pty) Limited@ (h)	0.00	11.42	62.62	51.20	0.00	-	2.58	0.32	2.26	-
113	Corpclo 331 (Pty) Limited@ (h)	0.00	(3.59)	2.29	5.88	-		(0.41)	0.10	(0.51)	-
114	Ferret Coal Holdings (Pty) Limited@ (h)	0.00	0.00	0.00	-	0.00		-	-	-	-
115	Ferret Coal (Kendal) (Pty) Limited@ (h)	0.00	(71.56)	215.21	286.77	-	143.33	(43.30)	11.24	(54.54)	-
116	Wizard Investments (Pty) Limited @	0.00	0.00	0.00	0.00	-	-	0.00	0.00	0.00	-
117	Homeland Energy (Swaziland) (Pty) Limited@	0.00	0.00	0.00	0.00	-	-	0.00	0.00	0.00	-
118	Manoka Mining (Pty) Limited@ (h)	0.00	(0.00)	-	-	-	-	-	-	-	-
119	Homeland Energy Group Limited @ (i)	437.91	(71.62)	499.69	133.40	-	-	(6.95)	-	(6.95)	
120	Homeland Energy Corp@ (i)	196.31	(133.60)	198.69	135.98	-	-	3.93	-	3.93	-

Notes:

1. The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and the subsidiary companies seeking such information at any point of time.

   The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registerd office and that of the subsidiary companies concerned.
2. * Investments except investment in Subsidiaries.
3. @These companies financial statements are for the period ended on and as at December 31, 2010.
4. The Ministry of Corporate Affairs,Government of India vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance of Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circulars. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
5. Wizard Investments (Pty) Limited and Homeland Energy (Swaziland) (Pty) Limited are under liquidation.
6. Details of reporting currency and the rate used in the preparation of consolidated financial statements.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in Rs.)	Closing Rate (in Rs.)
a	NPR	1.60	1.60
b	USD	46.09	45.14
c	IDR	0.0896	0.505
d	Euro	60.51	62.62
e	GBP	70.65	72.87
f	SGD	33.99	35.79
g	BWP	6.63	6.68
h	ZAR	6.32	6.57
i	CAD	44.63	45.87

Annexure 'C' to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the year ended March 31, 2011.

1. Conservation of energy and technology absorption:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

2. Foreign exchange earnings and outgo in foreign exchange during the period:

The particulars relating to foreign exchange earnings and outgo during the period are:

i. The Foreign Exchange earnings during the year:

(Amount in Rupees)

Particulars	2011	2010
Interest income	72,338,517	-

ii. The details of Foreign Exchange outgo are as shown below:

(Amount in Rupees)

Particulars	Year ending March 31, 2011	Year ending March 31, 2010
Professional and Consultancy charges	161,370,071	11,062,034
Meetings & Seminars	2,226,226	-
Rates & Taxes	1,304,000	-
Traveling expenses	339,978	5,209,470
Others	1,694,213	1,491,836
Total	166,934,488	17,763,340

For and on behalf of the Board
Sd/-
G. M. Rao
Executive Chairman

Place: Bengaluru
Date : May 30, 2011

Report on Corporate Governance

Company's Philosophy on Corporate Governance

'Attainment of the right results with right means' summarises GMR's way of Corporate Governance. For us Corporate Governance is not destination, but a journey. A journey wherein we seek to perpetually improve the conscience of the well balanced interests of all the stakeholders as we walk the miles, spend the years, do more projects and spread our presence through continents to touch more and more lives. Balancing the interests of all the stakeholders is a challenge that we constantly face in this marathon.

While we go beyond the legal provisions of Corporate Governance, the report on statutory compliances in this regard are set forth below:

1. Board of Directors

a. Composition of the Board

The Board consists of twelve directors, including one Executive Chairman and one Managing Director. 10 Directors are Non-Executive Directors; out of them 6 are Independent Directors. The Independent Directors are professionals with high credentials, who actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

The Board comprises of the following Directors:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Category	Number of other Directorships held in other Public Limited Companies as on 31-03-2011#		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2011*	
				Chairman	Director	Chairman	Member
1	Mr. G.M.Rao	00574243	Executive Chairman	5	-	-	-
2	Mr. Srinivas Bommidala	00061464	Managing Director	7	5	-	6
3	Mr. G.B.S. Raju	00061686	NEPD	-	5	-	1
4	Mr. Kiran Kumar Grandhi	00061669	NEPD	1	5	-	1
5	Mr. B.V. Nageswara Rao	00051167	NEPD	3	9	-	-
6	Mr. O. Bangaru Raju	00082228	NED	-	10	-	9
7	Mr. Arun K. Thiagarajan	00292757	NEID	1	8	1	6
8	Mr. K.R. Ramamoorthy	00058467	NEID	-	9	2	4
9	Dr. Prakash G. Apte	00045798	NEID	-	2	-	1
10	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	1	4	3	2
11	Mr. Udaya Holla	00245641	NEID	-	3	-	1
12	Mr. Uday M. Chitale	00043268	NEID	-	5	3	2

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

Other companies do not include alternate directorships, directorships of private limited companies, Section 25 companies and companies incorporated outside India.

* Committee means Audit Committee and Shareholders' Transfer & Grievance Committee.

Relationships between directors inter–se.

Name of the Director	Relationship
Mr. G. M. Rao	Father of Mr. G. B. S. Raju and Mr. Kiran Kumar Grandhi, father-in-law of Mr. Srinivas Bommidala
Mr. Srinivas Bommidala	Son-in-law of Mr. G. M. Rao, brother- in-law of Mr. G. B. S. Raju and Mr. Kiran Kumar Grandhi
Mr. G. B. S. Raju	Son of Mr. G. M. Rao, brother of Mr. Kiran Kumar Grandhi, brother-in-law of Mr. Srinivas Bommidala
Mr. Kiran Kumar Grandhi	Son of Mr. G. M. Rao, brother of Mr. G.B.S Raju, brother-in-law of Mr. Srinivas Bommidala

b. Board Meetings:

Six Board Meetings were held during the financial year ended March 31, 2011. These meetings were held on April 9, 2010, May 24, 2010, August 7, 2010, November 9, 2010, February 9, 2011 and March 30, 2011. The maximum gap between two meetings was 93 days.

c. Directors' Attendance Record:

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2011 and at the previous Annual General Meeting was as under:

Name of the Directors	Board Meetings during the period April 1, 2010 to March 31, 2011		Whether present at the Previous AGM held on August 27, 2010
	Held	Attended#	
Mr. G. M. Rao	6	5	Yes
Mr. Srinivas Bommidala	6	4	Yes
Mr. G. B. S. Raju	6	4	Yes
Mr. Kiran Kumar Grandhi	6	2	No
Mr. B. V. Nageswara Rao	6	3	Yes
Mr. O. Bangaru Raju	6	6	Yes
Mr. Arun K. Thiagarajan	6	4	Yes
Mr. K. R. Ramamoorthy	6	5	Yes
Dr. Prakash G Apte	6	6	No
Mr. R.S.S.L.N. Bhaskarudu	6	5	Yes
Mr. Udaya Holla	6	2	No
Mr. Uday M. Chitale	6	5	Yes

#Attendance includes participation through video conference

d. Profile of Directors being appointed in the ensuing Annual General Meeting to be held on September 2, 2011.

Mr. O. Bangaru Raju, 55, Director, has been on the Board since October, 2007. He has 27 years of diverse experience having held key positions in finance and infrastructure businesses. He is a Chartered Accountant and has been associated with GMR Group's business activities since 1991. He has also held various senior positions and has been actively involved in the Road Sector. Presently he is the Managing Director of GMR Tambaram - Tindivanam Expressways Private Limited and GMR Highways Limited and is part of the Senior Leadership Team.

He holds 45,000 equity shares of the Company as at March 31, 2011.

Details of Mr. O. Bangaru Raju's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Nil
GMR Tambaram Tindivanam Expressways Private Limited	Member – Audit Committee
GMR Ulundurpet Expressways Private Limited	Member – Audit Committee Chairman – Remuneration Committee Chairman – Security Issue Allotment and Transfers Committee
GMR Ambala Chandigarh Expressways Private Limited	Member – Audit Committee Chairman – Remuneration Committee Chairman – Project Management Committee Member – Security Issue Allotment and Transfers Committee
GMR Jadcherla Expressways Private Limited	Member – Audit Committee Chairman – Remuneration Committee Chairman – Security Issue Allotment and Transfers Committee
GMR Pochanpalli Expressways Ltd.	Member – Audit Committee Chairman – Remuneration Committee Chairman – Security Issue Allotment and Transfers Committee
GMR Highways Ltd.	Member – Audit Committee Member – Remuneration Committee Member – Security Issue Allotment and Transfers Committee
Delhi International Airport Private Limited #	Alternate Member – Audit Committee
Delhi Aerotropolis Private Limited	Nil
GMR Tuni Anakapalli Expressways Private Limited	Member – Audit Committee
GMR Hyderabad Vijayawada Expressways Private Limited	Member – Audit Committee Chairman – Remuneration Committee Chairman – Security Issue Allotment and Transfers Committee Chairman – Project Management Committee
GMR Chennai Outer Ring Road Private Limited	Member – Audit Committee Member – Remuneration Committee Member – Security Issue Allotment and Transfers Committee Chairman – Project Management Committee
Limak-GMR Adi-Oratakli (Limak-GMR Joint Venture)*	Nil

* Company Incorporated outside India
# Alternate Directorship and Membership

Mr. R.S.S.L.N. Bhaskarudu, 71, Director, has been on the Company's Board since September 2005. He is also on the Boards of DIAL and GHIAL, subsidiaries of the Company. He is a graduate Electrical Engineer from the College of Engineering, Andhra University. He has over 48 years of experience with proven track record in management and leadership positions. He served more than two decades at Bharat Heavy Electricals Limited (BHEL). During his tenure in BHEL, he was involved in the development and production of turbine generator sets, including auxiliaries all over the country. He also worked for over 16 years with Maruti Udyog Limited (MUL) since its inception and has served as its Managing Director. He also served as a Member / Chairman of the Public Enterprises Selection Board of the Government of India. He is also on the Boards of several other companies.

He holds Nil equity shares of the Company as on March 31, 2011.

Details of Mr. R. S. S. L. N. Bhaskarudu's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Audit Committee Member – Corporate Governance Committee
Haryana Aban Power Company Limited	Nil
Global Vectra Helicorp Limited	Chairman – Audit Committee Member – Investor Grievance Committee
Murari Power Generation India Private Limited	Nil
Fatpipe Networks India Limited	Chairman – Audit Committee Chairman – Remuneration Committee Member – Corporate Grievances Committee
Delhi International Airport Private Limited	Member – Audit Committee
GMR Hyderabad International Airport Limited	Chairman – Audit Committee
GMR Upper Karnali Hydro Power Limited*	Member – Audit Committee
GMR Male International Airport Private Limited*	Chairman – Audit Committee

* Company Incorporated outside India

Dr. Prakash G. Apte, 64, Director, has been on the Company's Board since September 2005. He holds a doctorate degree in Economics from the Columbia University. He also holds a post graduate diploma in management from the Indian Institute of Management, Kolkata and B.Tech. (Mechanical Engineering) from the Indian Institute of Technology, Mumbai. Currently, he is a UTI Chair Professor at the Indian Institute of Management, Bengaluru. He taught Economics at the Vassar College, Poughkeepsie, the US and Columbia University. He was a consultant at Edison Electric Institute, New York and a Project Manager at Centron Industrial Alliance, Mumbai. He has published four books and several articles in academic journals and professional media. He has served on expert committees appointed by NSE and SEBI and is a consultant to several leading organisations in Government, public and private sectors. He has also been a visiting faculty at the Katholieke Universiteit Leuven, Belgium. He is also on the Boards of other companies.

He holds 30000 equity shares of the Company as on March 31, 2011.

Details of Dr. Prakash G. Apte's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Corporate Governance Committee Member – Remuneration Committee
UTI Trustee Company Private Limited	Member - Audit Committee
Multi Commodity Exchange of India Limited	Nil
National Securities Depository Limited	Member – Audit Committee Member – Compensation Committee

Mr. Kiran Kumar Grandhi, 36, Group Director, is the younger son of Mr. G.M. Rao and has been on the Company's Board since 1999. He completed his bachelor's degree in commerce from Badruka College, Hyderabad, Osmania University in 1996. He was involved in the airports business and is currently the Managing Director of GHIAL and DIAL. He led the implementation of the airport project at Hyderabad. He is also responsible for the development of new business in the airports sector. Before taking up his position at GHIAL, he headed the GMR Group's finance function and the shared services. Currently, he is heading airports business development and aviation SEZs business.

He holds 671660 equity shares of the Company as at March 31, 2011.

Details of Mr. Kiran Kumar Grandhi's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Management Committee
GMR Hyderabad International Airport Limited	Chairman – Finance Committee
GMR Tuni - Anakapalli Expressways Private Limited	Member – Share Allotment and Transfer Committee

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Tambaram - Tindivanam Expressways Private Limited	Member - Share Allotment and Transfer Committee
GMR Varalakshmi Foundation	Nil
Delhi International Airport Private limited	Member - Share Allotment, Transfer & Grievance Committee
GMR Holdings Private Limited	Nil
GKR Holdings Private Limited	Nil
MAS GMR Aerospace Engineering Company Ltd.	Nil
Delhi Duty Free Services Private Limited	Nil
GMR Male International Airport Private Limited *	Nil
TVS GMR Aviation Logistics Limited	Nil

* Company Incorporated outside India

e. Code of Conduct

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board has laid down a code of conduct for all Board members, Senior Management Personnel and Designated Employees of the Company. The code of conduct is posted on the website of GMR Group (www.gmrgroup.in). All Board members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to that effect by Mr. Srinivas Bommidala, Managing Director, is attached to this report.

A Code of business conduct and ethics applicable to all the employees of the group has been communicated which are to be followed in day to day work life which will enable the employees to maintain highest standards of values in their conduct to achieve organizational objectives.

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the Offices of the Company.

f. Whistle Blower Policy

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organisation, the Company has formulated a Whistle Blower Policy applicable to the Company and its subsidiaries. This mechanism has been communicated to all concerned and posted on the Group's intranet.

g. Risk Management

Risk is an inherent aspect of business, especially in a dynamic industry such as infrastructure. The Company's Enterprise Risk Management (ERM) philosophy is to integrate the process for managing risk across the organization and throughout its business and lifecycle to enable protection and enhancement of stakeholder value and ensure an institution in perpetuity.

During the year, the Company has revised its ERM framework in line with the "ISO 31000:2009 - Risk Management Principles and Guidelines standard". The framework, intended to be in line with the current best practices in ERM, clearly defines the applicability, risk management organization structure, coverage, processes and linkages. The framework has been implemented with the development of risk registers at the enterprise, sector and key business unit levels and the process has been commenced for covering all assets / projects. Identified risk owners are responsible for treatment of top risks at the business unit, sector and enterprise levels.

At the enterprise level, de-risking of the Company's business risk is sought to be achieved by a policy of undertaking diversified projects in different segments, geographies and revenue models. At the Bid / Opportunity stage, a formal screening framework has also been developed to ensure proactive evaluation of risks to aid risk based decisions making.

The ERM inputs have been considered by Sectors / Businesses during formulation of their Strategy / Annual Operating Plan. Similarly, clearly defined linkages with the Management Assurance Group (MAG) ensure consideration of risk inputs during preparation of annual audit plan. Regular risk newsletters and circulation of current risk related news items to relevant / top leadership team ensures propagation of a risk aware culture throughout the organization.

The Company has also embarked on a journey to build resilience to deal with eventualities through Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP) exercise for its key locations / assets and projects.

The Board of Directors of the Company and its subsidiaries are regularly informed on the status of key risks, risk assessment and minimisation procedures in place thus ensuring the effectiveness of the oversight mechanism. These procedures are subjected to a periodical review to ensure that the management controls the risk through means of a properly defined framework.

A detailed note on risks and concerns affecting the businesses of the Company is provided in Management Discussion and Analysis.

h. Subsidiary Companies

The Company monitors the performance of its subsidiary companies, inter alia, by the following means:

i. The financial statements, in particular the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company periodically.

ii. The minutes of the Board / Audit Committee meetings of the subsidiary companies are noted at the Board / Audit Committee Meetings respectively of the Company.

iii. The details of significant transactions and arrangements entered into by the material subsidiary companies are placed periodically before the Board of the Company.

2. Audit Committee

a. Constitution of Audit Committee:

i. The Audit Committee comprises of the following Directors as members:

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. Arun K. Thiagarajan	Member
Mr. Uday M. Chitale	Member
Mr. R S S L N Bhaskarudu	Member

ii. Previous Annual General Meeting of the Company was held on August 27, 2010. Mr. K.R. Ramamoorthy, Chairman of the Audit Committee has attended the meeting. The composition of the Audit Committee, consisting of only the Independent Directors', meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. C.P.Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Audit Committee.

b. Meetings and attendance during the year:

During the financial year ended on March 31, 2011, six Audit Committee meetings were held on May 24, 2010, August 6, 2010, October 20, 2010, November 2, 2010, February 8, 2011 (adjourned to February 9, 2011) and March 30, 2011.

The attendance of the Audit Committee members was as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	6	6
Mr. Arun K. Thiagarajan	6	5
Mr. Uday M. Chitale	6	5
Mr. R S S L N Bhaskarudu	6	6

Note: All the members attended the adjourned Audit Committee Meeting on February 9, 2011.

Special meetings of the Committee were held on October 20, 2010 and March 30, 2011 exclusively to review the matters relating to IFRS and IFRIC-12, adequacy of internal control, Enterprise Risk Management (ERM) update, Accounting policies and Major interim audit findings.

c. The terms of reference of the Audit Committee are as under:

i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.

iii. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
   - Any changes in accounting policies and practices;
   - Major accounting entries based on exercise of judgment by the management;
   - Qualifications in draft audit report;
   - Significant adjustments arising out of audit;
   - The going concern assumption;
   - Compliance with accounting standards;
   - Compliance with listing and other legal requirements concerning financial statements;
   - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

iv. Reviewing, with the management, statutory and internal auditors, the adequacy of internal control systems.

v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

vi. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

vii. Discussion with internal auditors any significant findings and follow-up there on.

viii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

ix. Discussion with the external auditors before the audit commences, nature and scope of audit as well as post-audit discussions to ascertain any area of concern.

x. Reviewing the Company's financial and risk management policies.

xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xii. Reviewing, with the management, the statement of uses/ application funds raised through an issue (public issue, rights issues, preferential issue etc.), the statement of funds utilised for the purpose other than those stated in the offer document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

xiii. Reviewing Whistle Blower mechanism.

xiv. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

3. Remuneration Committee

a. Constitution of Remuneration Committee:

The Remuneration Committee comprises of the following Directors as members:

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. G.M. Rao	Member
Dr. Prakash G. Apte	Member
Mr. Udaya Holla	Member

Mr. C.P.Sounderarajan, Company Secretary and Compliance Officer, acts as the Secretary to the Remuneration Committee.

b. Meetings and attendance during the year:

During the Financial Year ended March 31, 2011, no meeting of the Committee was held.

c. The terms of reference of the Remuneration Committee are as under:

i. Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable, including any revision in remuneration payable to Executive / Non-Executive Directors are to be made;

ii. Payment of remuneration shall be approved by a resolution passed by the Remuneration Committee;

iii. All information about the Directors /Managing Directors / Whole-time Directors i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders;

iv. The committee shall take into consideration and ensure the compliance of provisions under Schedule XIII of the Companies Act, 1956 for appointing and fixing remuneration of Managing Directors / Whole-time Directors;

v. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;

vi. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders.

vii. Following disclosures on the remuneration of Directors shall be made in the section on the Corporate governance of the Annual Report:

- All elements of remuneration package of all the Directors i.e. salary, benefits, bonus, stock options, pension etc.;
- Details of fixed component and performance linked incentives, along with the performance criteria;
- Service contracts, notice period, severance fees;
- Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable.

d. Remuneration Policy

Remuneration of the Executive Chairman, Managing Director or Executive Director is determined periodically by the Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by shareholders. Non-Executive Directors are paid sitting fees within the limits prescribed under law.

e. Details of remuneration paid during the financial year ended March 31, 2011 to the Directors are furnished hereunder.

Name	Salary (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No. of shares held
Mr. G. M. Rao	10,013,618	24,778,697	-	34,792,315	313,830
Mr. Srinivas Bommidala	-	-	-	-	451,660
Mr. G. B. S. Raju	-	-	-	-	526,660
Mr. Kiran Kumar Grandhi	-	-	-	-	671,660
Mr. B. V. Nageswara Rao	-	-	-	-	150,000
Mr. O. Bangaru Raju	-	-	-	-	45,000
Mr. Arun K. Thiagarajan	-	-	200,000	200,000	46,000
Mr. K. R. Ramamoorthy	-	-	260,000	260,000	-
Dr. Prakash G Apte	-	-	140,000	140,000	30,000
Mr. R.S.S.L.N. Bhaskarudu	-	-	240,000	240,000	-
Mr. Udaya Holla	-	-	70,000	70,000	-
Mr. Uday M. Chitale	-	-	220,000	220,000	30,000

Note: The remuneration paid to Executive Chairman and Managing Director does not include provision for gratuity, superannuation and premium for personal accident policy, as the same are determined for the company as a whole.

The Company does not have any stock option plan or performance-linked incentive for the Director(s).

4. Shareholders’ Transfer and Grievance Committee

a. Constitution of the Committee:

The Shareholders’ Transfer and Grievance Committee comprises of the following Directors as members:

Names	Designation
Mr. Udaya Holla	Chairman
Mr. K. R. Ramamoorthy	Member
Mr. G.B.S. Raju	Member
Mr. B.V. Nageswara Rao	Member

The composition of the committee meets the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. C.P.Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Shareholders’ Transfer and Grievance Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2011, four meetings were held on May 24, 2010, August 7, 2010, November 9, 2010 and February 9, 2011. The attendance of the Shareholders’ Transfer and Grievance Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Udaya Holla	4	3
Mr. K. R. Ramamoorthy	4	4
Mr. G.B.S. Raju	4	3
Mr. B.V. Nageswara Rao	4	2

c. The terms of reference of the Shareholders’ Transfer and Grievance Committee are as under:

i. Allotment of all types of securities to be issued by the Company;

ii. Transfer, transposition and transmission of securities;

iii. Issuance of duplicate shares or other securities;

iv. Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports, etc.;

v. Investigate into other investor’s complaints and take necessary steps for redressal thereof;

vi. To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority;

vii. Authorise Company Secretary or other persons to take necessary action on the above matters;

viii. Appointment and fixation of remuneration of the Registrar and Share transfer Agent and Depositories and to review their performance.

The details of the complaints received during the financial year 2010-11 and the status of the same are as below:

Nature of Complaints	No. of Complaints received	No. of Complaints resolved	Pending Complaints
Non-Receipt of Electronic Credit	5	5	0
Non-Receipt of Refund Order	2	2	0
Non-Receipt of Dividend Warrants	47	47	0
Non-Receipt of Share Certificates	19	19	0
Non-Receipt of Annual Reports	17	17	0
SEBI Complaints	1	1	0
Total	91	91	0

5. Management Committee

a. Constitution of Management Committee:

The Management Committee comprises of the following Directors as members:

Names	Designation
Mr. G.M. Rao	Chairman
Mr. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. Kiran Kumar Grandhi	Member
Mr. B.V. Nageswara Rao	Member

Mr. C.P.Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Management Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2011, 22 meetings of the Committee were held on April 15, 2010, April 19, 2010, April 21, 2010, May 28, 2010, June 28, 2010, July 20, 2010, August 23, 2010, August 30, 2010, September 13, 2010, September 25, 2010, October 6, 2010, October 25, 2010, November 19, 2010, December 9, 2010, December 22, 2010, January 7, 2011, January 22, 2011, February 1, 2011, February 10, 2011, February 14, 2011, March 19, 2011 and March 24, 2011.The attendance of members are as follows:

Names	No. of the Meetings	
	Held	Attended#
Mr. G.M. Rao	22	10
Mr. Srinivas Bommidala	22	16
Mr. G.B.S. Raju	22	11
Mr. Kiran Kumar Grandhi	22	3
Mr. B.V. Nageswara Rao	22	19

#Attendance includes participation through video conference

c. The terms of reference of the Management Committee are as under:

i. Decision-making relating to operational matters such as investments in new projects, financial matters, borrowings, capital expenditure, purchases and contracts-non-capital (including services), sales and marketing, long-term contracts, stores, HR related matters, establishment and administration, writing-off of assets, etc.

ii. Decision-making relating to private placements/QIP/IPO matters like quantum of issue, issue price, appointment of lead managers and other intermediaries, registrars to the issue, bankers to the issue, listing of shares, execution of all the documents pertaining to IPO, etc.

The Board of Directors from time to time also delegate specific powers to the Management Committee.

6. Debentures Allotment Committee

a. Constitution of Debentures Allotment Committee:

The Debentures Allotment Committee comprises of the following Directors as members:

Names	Designation
Mr. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. B.V. Nageswara Rao	Member

Mr. C.P.Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Debentures Allotment Committee.

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2011, no meeting of the Committee was held.

c. The terms of reference of the Debentures Allotment Committee are as under:

Issuance and allotment of debentures on such terms and conditions as may be prescribed from time to time in this regard.

7. Corporate Governance Committee

a. Constitution of Corporate Governance Committee:

The Corporate Governance Committee comprises of the following Directors as members:

Names	Designation
Mr. Arun K Thiagarajan	Chairman
Dr. Prakash G Apte	Member
Mr. R S S L N Bhaskarudu	Member
Mr. Uday M Chitale	Member

Mr. C.P.Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Corporate Governance Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2011, two Committee meetings were held on November 2, 2010 and March 30, 2011 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Arun K Thiagarajan	2	2
Dr. Prakash G Apte	2	2
Mr. R S S L N Bhaskarudu	2	2
Mr. Uday M Chitale	2	2

c. The terms of reference of the Corporate Governance Committee are as follows:

i. To review and recommend best corporate governance practices including Board processes, disclosure practices, policy on ethics / code of conduct etc.;

ii. To continuously review and reinforce the corporate governance practices within the Company;

iii. To lay down process for induction of directors after due diligence;

iv. Any other matter as the Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

8. General Body Meetings

a. Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Year	Venue	Date & Time	Special Resolutions passed
2009-10	Jnana Jyothi Auditorium Central College Campus Bengaluru – 560 001	August 27, 2010, 2.30 p.m.	1. Appointment of Mr. Srinivas Bommidala as Managing Director 2. Increase in the limit of FIIs holding to 35%
2008-09	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	August 31, 2009, 2.30 p.m	No Special Resolution was passed.
2007-08	Jnana Jyothi Auditorium, Central College Campus, Bengaluru – 560 001	August 19, 2008, 2.30 p.m.	No Special Resolution was passed.

b. Extra Ordinary General Meetings

Venue, date and time of the Extraordinary General Meetings held during the preceding three years and the Special Resolutions passed there at are as under:

Year	Venue	Date & Time	Special Resolutions Passed
2009-10	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	June 9, 2009 4.45 p.m.	1. Under Section 81 (1A) of the Companies Act, 1956 - issue of securities for an aggregate amount not exceeding Rs. 5000 crore through QIPs, FCCBs, GDRs etc. 2. Approval under Section 81 (1A) of the Companies Act, 1956 for issue of securities to IDFC Infrastructure Fund - India Development Fund ('IDFC') for consideration other than cash.
2008-09	No Extraordinary General Meeting was held during the year		
2007-08	Dr. Ambedkar Bhavan, Millers Road, Vasanth Nagar, Bengaluru – 560 052	November 26, 2007 11:00 a.m.	Under Section 81 (1A) of the Companies Act, 1956, issue of securities through Qualified Institutional Placements (QIP)

c. Special Resolutions passed through postal ballot:

No special resolution was passed during the last year through postal ballot.

9. Disclosures

a. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or their relatives, management, its subsidiaries etc., that may have potential conflict with the interests of the Company at large.

   The transactions with related parties are mentioned on page no. 161 may be verified in the Annual Report. None of the transactions with related parties were in conflict with the interests of the Company at large.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

   There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years hence no penalties or strictures have been imposed by the Stock Exchange or SEBI or any statutory authority.

10. Means of Communication

The Company has been sending Annual Reports, notices and other communications to each household of shareholders through e-mail, post or courier.

The quarterly / annual results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with Stock Exchanges are generally published in the 'Financial Express' and 'Samyukta Karnataka' (a regional daily in Kannada language). Quarterly and Annual Financial Statements, along with segment report and Quarterly shareholding pattern are posted on the GMR Group website (www.gmrgroup.in), BSE website (www.bseindia.com) and NSE website (www.nseindia.com). The presentations made to analysts and others are also posted on the GMR Group website.

11. Management Discussion and Analysis Report (MDA)

MDA forms part of the Directors' Report and the same is attached separately in this Annual Report.

12. General Shareholder Information

a. Date, time and venue of the 15th AGM:

Friday, September 2, 2011 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru – 560 029.

b. Financial Calendar:

The Financial year is 1st April to 31st March and financial results are proposed to be declared as per the following tentative schedule:

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2011	First fortnight of August 2011
Financial reporting for the quarter / half year ending September 30, 2011	First fortnight of November 2011
Financial reporting for the quarter / nine months ending December 31, 2011	First fortnight of February 2012
Financial reporting for the quarter / year ending March 31, 2012	Second fortnight of May 2012
Annual General Meeting for the year ending March 31, 2012	September 2012

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 26, 2011 to Friday, September 2, 2011 (both days inclusive) for the purpose of the 15th Annual General Meeting.

d. Dividend Payment Date:

In order to conserve funds for projects which are in development, expansion and implementation stages, the Board has not recommended any dividend for the Financial Year 2010-11.

e. Listing on Stock Exchanges:

(i) Equity Shares:

The Company's shares are listed on the following Stock Exchanges with effect from August 21, 2006.

Name of the Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	GMRINFRA
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532754

Annual listing fees for the year 2011-12 has been paid by the Company to both the Stock Exchanges.

(ii) Privately placed Debt Instruments:

The Company's privately placed debentures are listed on National Stock Exchange and were partially redeemed. The face value of these non convertible debentures (NCDs) was reduced to Rs.9.5 lakhs from Rs.10 lakhs for each debenture. The stock code of these NCDs is GMRI15.

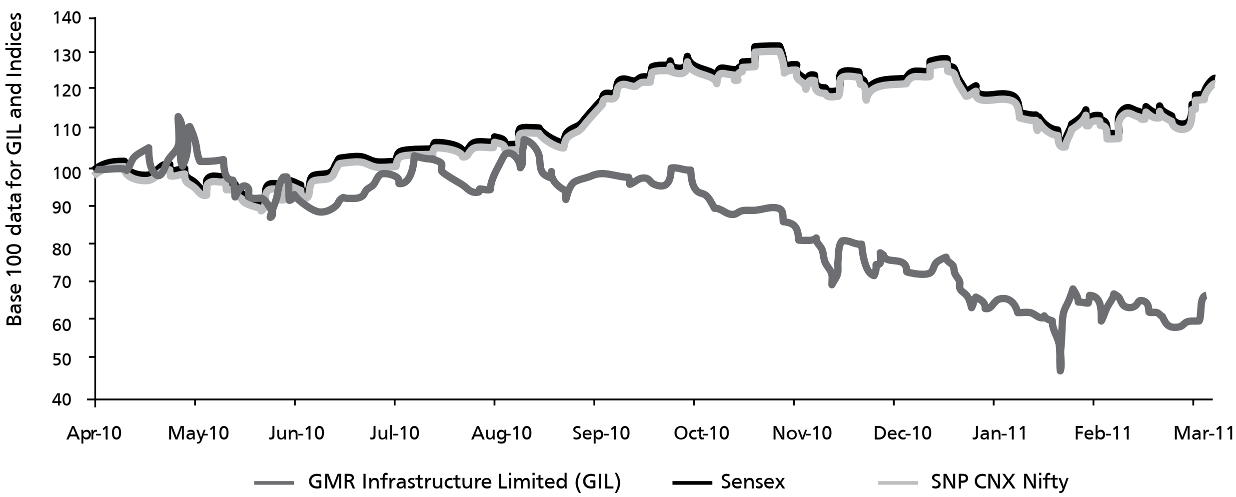
Annual listing fees for the NCDs for the year 2011-12 has been paid by the Company.

f. Stock Market Data relating to Shares Listed

(Amount in Rs.)

Month	NSE		BSE	
	High	Low	High	Low
April 2010	68.70	59.60	68.70	59.60
May 2010	66.15	54.10	66.60	54.05
June 2010	60.00	52.30	60.00	54.50
July 2010	62.85	56.75	62.90	56.85
August 2010	64.35	55.10	64.45	55.15
September 2010	60.00	56.00	59.90	56.05
October 2010	61.20	52.40	61.15	52.40
November 2010	55.80	40.35	54.95	40.50
December 2010	50.05	43.50	50.05	43.50
January 2011	47.60	38.05	47.60	37.85
February 2011	43.00	29.00	42.70	29.80
March 2011	41.60	36.00	41.60	36.05

Performance of the share price of the company in comparison to BSE Sensex and S & P CNX Nifty



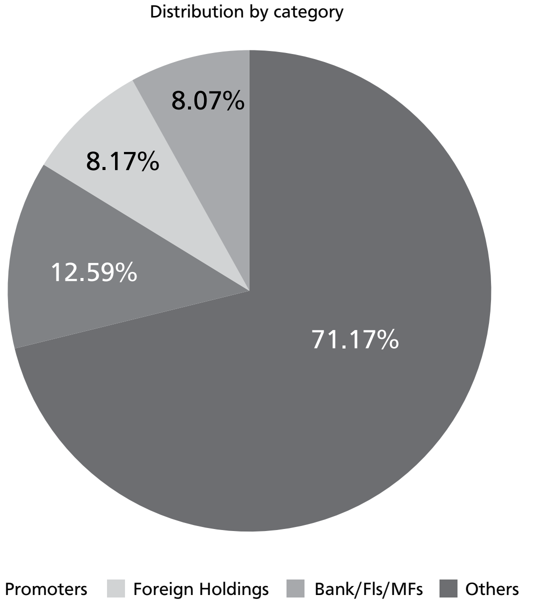
g. Registrar & Share Transfer Agent (RTA)

Main Office:	Branch Office:
Karvy Computershare Private Limited Unit: GMR Infrastructure Limited Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 Telephone No. 040 - 44655000 Fax No. 040 - 23420814 Email ID: einward.ris@Karvy.com	Karvy Computershare Private Limited No.59, Skanda, Puttanna Road, Basavannagudi, Bengaluru-560 004 Telephone No. 080 - 25323400 Fax No. 080 - 25320086 Email ID: sksharma@Karvy.com

h. Share Transfer procedure:

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated powers of approving transfers and transmission of securities to the Shareholder's Transfer and Grievance Committee. The Committee has authorised each member of the committee to approve the transfer of shares up to 20,000 shares per transfer deed and Company Secretary and other specified executives of the Company to approve the transfer of shares up to 10,000 shares per transfer deed. A summary of the transfer, transmissions/ dematerialisation request / rematerialisation requests approved by the Committee/ Executives is placed before the Committee. The Company obtains half-yearly certificates from a Company Secretary in Practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47 (c) of the Listing Agreement.

i. Distribution of shareholding as on March 31, 2011



Distribution by category

Description	No. of Cases	Total Shares	% Equity
Banks	26	137,031,403	3.52
Promoters	36	2,770,339,470	71.17
Clearing Members	308	2,128,179	0.05
Foreign Institutional Investors	193	489,915,585	12.59
Indian Financial Institution	17	172,915,850	4.44
Bodies Corporates	3,054	47,788,475	1.23
Mutual Funds	10	8,289,177	0.21
Non Resident Indians	4,567	7,307,510	0.19
Resident Individuals	464,037	205,859,055	5.29
Trusts	21	43,888,952	1.13
Others	6,850	6,971,126	0.18
Total	479,119	3,892,434,782	100.00

Distribution by size

Range of equity shares held	March 31, 2011				March 31, 2010			
	No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1 – 500	394,874	82.42	66,497,148	1.71	386,184	83.09	64,386,239	1.76
501 – 1000	47,865	9.99	38,087,425	0.98	45,394	9.77	35,914,867	0.98
1001 – 2000	21,350	4.46	33,414,616	0.86	19,713	4.24	31,119,925	0.85
2001 – 3000	5,574	1.16	14,379,701	0.37	4,882	1.05	12,611,947	0.34
3001 – 4000	3,344	0.70	12,500,360	0.32	3,175	0.68	11,969,198	0.32
4001 – 5000	1,695	0.35	7,986,999	0.21	1,381	0.30	6,492,344	0.18
5001 – 10000	2,426	0.51	17,926,822	0.46	2,204	0.48	16,392,618	0.45
10001 and above	1,991	0.42	3,701,641,711	95.10	1,829	0.39	3,488,467,254	95.12
Total	479,119	100.00	3,892,434,782	100.00	464,762	100.00	3,667,354,392	100.00

The Company had allotted 225,080,390 equity shares of Re.1/- each to Qualified Institutional Buyers on April 21, 2010. Consequent to this allotment, the total shares of the company has been increased from 3,667,354,392 to 3,892,434,782.

j. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization in both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.97% of shares have been dematerialized as on March 31, 2011.

ISIN: INE776C01039 (Fully Paid Shares)

IN9776C01037 (Partly Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	331	1,353,203	0.03
NSDL	320,571	3,809,062,843	97.86
CDSL	158,217	82,018,736	2.11
Total	479,119	3,892,434,782	100.00

k. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

Not Applicable

l. Investor correspondence:

Registered office address
Skip House, 25/1, Museum Road, Bengaluru - 560 025
Telephone No. +91 80 40534000 Fax No. +91 80 22279353
Website: www.gmrgroup.in

Company Secretary and Compliance Officer
Mr. C.P.Sounderarajan
Skip House, 25/1, Museum Road, Bengaluru - 560 025
Telephone No. +91 80 4053 4281 Fax No. +91 80 22279353
E-mail: sounderarajan.cp@gmrgroup.in

m. Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares.

n. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the stock exchanges, NSDL and CDSL and is placed before the Shareholders' Transfer and Grievance Committee of the Board of Directors of the Company. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

In addition, Secretarial audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the Financial Year ended March 31, 2011, is provided in the Annual Report.

o. Corporate Identity Number (CIN)

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L45203KA1996PLC034805.

p. Compliance Certificate of the Auditors

Certificate from the Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

q. Equity Shares in the Suspense Account

As per Clause 5A(I) of the Listing Agreement, the registrar to the issue shall send at least three reminders at the address given in the application form as well as captured in depository's database asking for the correct particulars. If no response is received, the unclaimed shares shall be credited to a demat suspense account with one of the Depository Participants, opened by the issuer for this purpose.

Based on the above, M/s. Karvy Computershare Private Limited had sent three reminder notices on June 23, 2009, August 27, 2009 and January 15, 2010.

Since no response was received from any of the shareholders the Company had opened a demat suspense account on June 7, 2010 in the name and style – "GMR Infrastructure Limited – Unclaimed Securities Suspense Account" with the Depository Participant, Karvy Stock Broking Limited. The details in respect of equity shares lying in the suspense / escrow account are as under:

Particulars	No. of Shareholders	Number of equity shares held
Aggregate number of shareholders and the outstanding shares in the suspense /escrow account lying as on April 1, 2010	9	19,250
Number of shareholders who approached the Company for transfer of shares from suspense /escrow account during the year	1	250
Number of shareholders to whom shares were transferred from the suspense / escrow account during the year	1	250
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2011	8	19,000

The voting rights on the shares outstanding in the aforesaid suspense account as on March 31, 2011 shall remain frozen till the rightful owner of such shares claims the shares.

As per the provisions of Clause 5A(II) of the Listing Agreement, there was no unclaimed equity shares issued in physical form.

r. Adoption of non-mandatory requirements of Clause 49

1. The Company has constituted a Remuneration Committee, Corporate Governance Committee, Management Committee and Debenture Allotment Committee of the Board, notes on which are given elsewhere in this report.
2. The Company is in the regime of unqualified, audit report, financial statements.
3. Whistle blower policy is in place.

The Ministry of Corporate Affairs has issued Corporate Governance Voluntary Guidelines 2009 and Corporate Social Responsibility Voluntary Guidelines 2009 for voluntary adoption of the same by the Companies, which are in addition to the mandatory requirements of clause 49 of the listing agreement. The Company is in compliance of the guidelines to the extent where they are mandatory in nature.

To

The Members of GMR Infrastructure Limited

Sub: Declaration by the CEO under Clause 49 (I) (D) (II) of the Listing Agreement

I, Srinivas Bommidala, Managing Director of GMR Infrastructure Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2011.

Sd/-
Srinivas Bommidala
Managing Director

Place: Bengaluru
Date : May 30, 2011

CEO / CFO certification

To,

The Board of Directors,

GMR Infrastructure Limited

We hereby certify that:

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2011 and 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 that 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 such 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 controls 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; wherever applicable 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.

e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

For GMR Infrastructure Limited	For GMR Infrastructure Limited
Sd/- Srinivas Bommidala Managing Director	Sd/- Subba Rao Amarthaluru Group CFO

Place: Bengaluru
Date: May 30, 2011

Auditors' Certificate regarding Compliance of conditions of Corporate Governance

To,

The Members of GMR Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by GMR Infrastructure Limited ('the Company'), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions 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 conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

Per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 30, 2011

Secretarial Audit Report

The Board of Directors
GMR Infrastructure Ltd.
25/1, Skip House,
Museum Road,
Bengaluru - 560 025

We have examined the registers, records and documents of GMR Infrastructure Limited ("The Company") for the financial year ended on March 31, 2011 according to the provisions of

- The Companies Act, 1956 and the Rules made under that Act.
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations , 2009
  - iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules under that Act and
- The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and Debt Listing Agreement with National Stock Exchange of India Limited.

1. Based on our examination and verification of the registers, records and documents produced before us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956, ("The Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
   - a. Maintenance of various statutory registers and documents and making necessary entries therein;
   - b. Closure of the Register of Members
   - c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government.
   - d. Service of documents by the Company on its Members, Auditors, the Registrar of Companies and other Authorities as required under the Act.
   - e. Notice of Board Meetings and Committee Meetings of Directors:
   - f. The Meetings of Directors and Committees of Directors including passing of resolutions by circulation.
   - g. The 14th Annual General Meeting held on August 27, 2010.
   - h. Minutes of proceedings of General Meetings and of Board and its Committee meetings.
   - i. Constitution of the Board of Directors/Committee(s) of directors and appointment, retirement, remuneration and re-appointment of directors including the Managing Director.
   - j. Appointment and remuneration of Auditors.
   - k. Transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures, to the extent applicable.
   - l. Borrowings, registration, modification and satisfaction of charges.
   - m. Investment of the Company's funds, including inter-corporate loans and investments and loans to others:
   - n. Giving guarantees in connection with loans taken by subsidiaries and associate companies.
   - o. Form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule.
   - p. Board's Report.
   - q. Contracts, common seal, registered office and publication of name of the Company and
   - r. Generally, all other applicable provisions of the Act and the Rules made under that Act.
2. We further report that
   - a. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements /shareholdings and directorship in other companies and interests in other entities.
   - b. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and Ethics for Directors and Managerial Personnel.
   - c. The Company has obtained all necessary approvals under the various provisions of the Act.
   - d. There was no prosecution initiated against and no fines or penalties were imposed on the Company, its Directors and Officers during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts.
3. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization of securities/ rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. We further report that

   a. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 including the provisions with regard to disclosures and maintenance of records required under the Regulations.

   b. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, including the provisions with regard to disclosures and maintenance of records required under the Regulations.

   c. The Company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and Debt Listing Agreement with the National Stock Exchange of India Limited.

   d. The Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

   e. The Company has complied with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 with regard to issue and allotment of equity shares.

For V. Sreedharan & Associates
Sd/-
V. Sreedharan
Partner
Certificate of Practice No.833

Place: Bengaluru
Date : May 30, 2011

Management Discussion and Analysis

Forward-looking Statements

This document contains certain forward looking statements based on the currently held beliefs and assumptions of the management of GMR Infrastructure Limited, which are expressed in good faith and in their opinion reasonable. For these purposes, forward looking statements are statements that address activities, events, conditions or developments that the company expects or anticipates may occur in the future. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performances to differ materially from those indicated by such statements. GMR Infrastructure Limited disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Management Discussion and Analysis

About Us

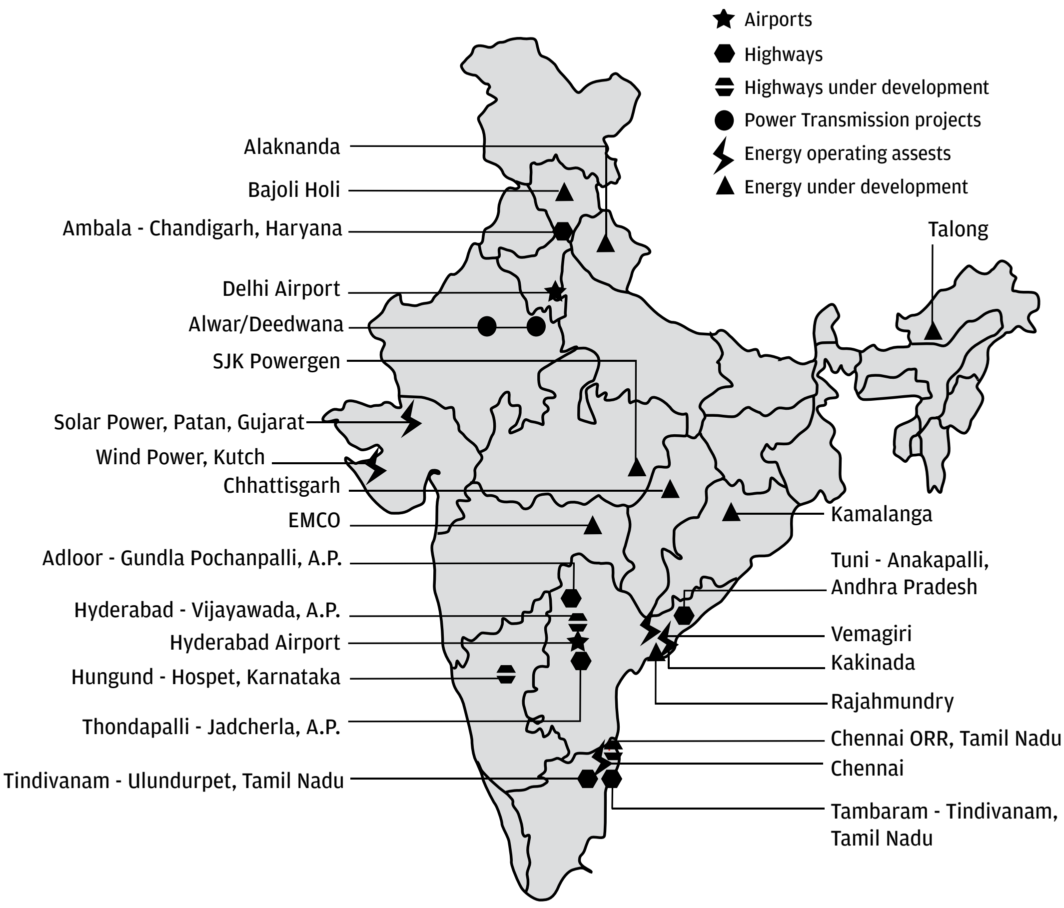
We are a diversified infrastructure Company with operations and investments across the Airport, Energy, Urban Infrastructure and Highways sectors.

Our airport business consists of interests in the companies that operate Rajiv Gandhi International Airport in Hyderabad, Indira Gandhi International Airport in New Delhi, Sabiha Gokcen International Airport in Istanbul and Male International Airport in Maldives.

The GMR Group is among the major private players in the Indian power sector. The company currently has three operating power plants with an aggregate capacity of about 808 MW. The company has ambitious growth plans in the sector with 8474.5 MW of capacity under various stages of implementation & development. The Company is developing 13 power generating projects in different states & countries and will have a diversified generation portfolio with different technologies viz., thermal – both gas & coal, hydro and renewables – Solar & Wind. Besides power generating projects, the company is also developing coal mines and transmission systems as a natural extension of core power generation business. At present, the international presence of the company is through its two hydro projects in Nepal, one gas based power project in Singapore and coal assets in South Africa and Indonesia.

Our highways business consists of six highways in commercial operation and three projects under development. We play an active role in all stages of development of our projects, including construction, financing and operation.

National Presence



Geographical presence of our businesses

GMR's asset ownership extends beyond India to countries like Indonesia, Turkey, Maldives, Nepal, South Africa, Indonesia and Singapore. This provides ample scope to be globally competitive and benefit from operating in different geographies. The Company has strategic plans to further expand its operations to markets across the globe in the infrastructure space.

Proven execution capabilities:

The company has built and commissioned 3 power projects, 6 road projects and 3 airports – all completed without significant time overruns – indicative of the Group's project management and execution capabilities. The company plans to progressively increase the involvement of its in-house EPC division in project execution.

The key milestones and achievement contributing to the progress of the company include:

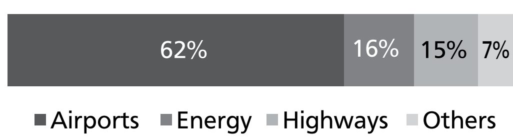
Financial Year	Airport	Energy	Urban Infrastrcuture & Highways and other opportunities
2010-11	• Won the bid and subsequently took over operations of Male International Airport. • Achieved Financial Closure of Malaysian Airline Systems (MAS)-GMR Aircraft MRO at Hyderabad. • New Terminal 3 project completed. Opened on 3rd July'10.	• Signed MoU with Government of Gujarat for developing a 25 MW Solar Project in the state. • Financial Closure Achieved for GREL & CTPP during the year • Won bid for developing 2 transmission projects in Rajasthan which involves setting up of 320 km of 400 KV & 85 km of 220 KV Transmission lines & 2 associated 400 KV substations • MoU signed with Government of Madhya Pradesh for development of 1980 MW coal based power plant in Bundelkhand region	• Completed financial closure of Hyderabad-Vijayawada Project, Chennai Outer Ring Road Project and Hungund-Hospet Project
2009-10	• Delhi International Airport – new Terminal 1D commissioned.	• Acquired EMCO and SJK Powergen, coal based power projects • Achieved financial closure for Kamalanga and EMCO Projects • Expansion work started at Vemagiri Power Plant for additional 768 MW.	• Won Chennai Outer Ring Road project • Won Hungund-Hospet road project. • Won Hyderabad-Vijayawada road project
2008-09		• Acquired 100% Stake in PT Barasentosa Lestari - Indonesia coal mine • Acquired 33.34% stake in Homeland Energy Group (HEG) • Acquired 50% stake for US $ 1.1 bn in InterGen N.V	Commercial operation of • AdloorYellareddy - GundlaPochanpalli • Thondapalli - Jadcherla • Ambala - Chandigarh
2007-08	• Commenced operation at the Hyderabad International Airport • First International foray - Awarded the Operation and development of Sabiha Gokcen International Airport, Istanbul, Turkey	• MoU for 160 MW Talong • MoU for 1,200 MW Plant in Chhattisgarh • Awarded 180 MW Bajoli Holi • Awarded 250 MW Upper Marsyangdi • Awarded 300 MW Upper Karnali	• Krishnagiri SEZ Project, Tamil Nadu • Two Hyderabad Airport SEZ
2006-07		• Commercial Operation of 388.5 MW Vemagiri Power Plant • MoU for 1,050 MW Kamalanga Power Plant in Orissa	
2005-06	• Awarded operation, management and development of Delhi International Airport	• Awarded 300 MW Alaknanda	
2004-05			• Commercial operation of Tambaram–Tindivanam and Tuni Anakapalli
2003-04	• Awarded Hyderabad Airport		
2001-02		• Commercial operation of 220 MW power plant in Mangalore	
2000-01	• Ventured in Airport Sector		
1998-99		• Commercial operation of 200MW in Chennai Power Plant	
1996-97		• Ventured into the Power sector	

Diversification strategy

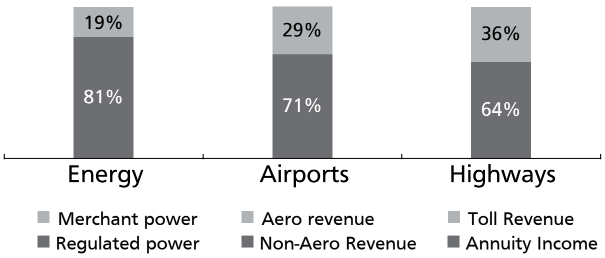
We continue to take steps to diversify our business on various dimensions. The advantage of this is both in terms of tapping a wide spectrum of entrepreneurial opportunities as well as bring in multi-disciplinary and diverse competencies to achieve excellence in all that we do. This strategy also provides immense scope for cross learning and innovation.

The diversification across sectors is depicted in the asset mix below:

Total Fixed Assets, 2010-11: Rs. 24,371 Cr.



Revenue Mix



Global Economic Scenario

Recovery outpacing expectations but oil, Euro zone risks remain

Growth in both advanced economies and emerging/developing economies outpaced initial expectations. This raises hope for sustained, though moderately paced global recovery during 2011, with risks emerging from high oil prices. We are seeing that Indian economy continued to outperform most emerging markets during 2010-11 retaining its position as the second fastest growing economy, after China, amongst the G-20 countries. China and India contributed nearly a quarter of the incremental world output.

Indian Economy:

GDP growth during 2010-11 reverted to the high growth trajectory. Growth had moderated in the preceding two years as the global economy slowed down as a result of global financial crisis. The growth during 2010-11 reflects a rebound in agriculture and sustained levels of activity in industry and services.

Growth of core infrastructure sector remains moderate

The six core industries (26.6% of total weight in IIP) registered marginally higher growth during April-February 2010-11 as compared with the same period in the previous year while the year-on-year growth indicates some moderation in recent months. Acute shortage of coal from domestic sources seems to have had some adverse impact on electricity generation. Closer attention to investment in core infrastructure industries is necessary in view of likely energy deficits over the medium term.

Growth momentum likely to sustain at close to trend

The current growth conditions suggest that the Indian economy is neither overheated, nor does it face a slack. The growth conditions have shown slight moderation of late, but GDP is still likely to grow close to trend in 2011-12. However, if monsoon turns out to be less than normal there is a potential downside risk. If recent increases in crude oil and industrial raw material prices persist, they could weaken the growth momentum amidst high inflation. The downside risks to growth also arise from higher cost of capital and any weakening of consumer confidence as the cost of leverage goes up.

(Source: RBI – Macroeconomic & Monetary developments in 2010-11)

Projected Investment in the Twelfth Plan (2012-17)

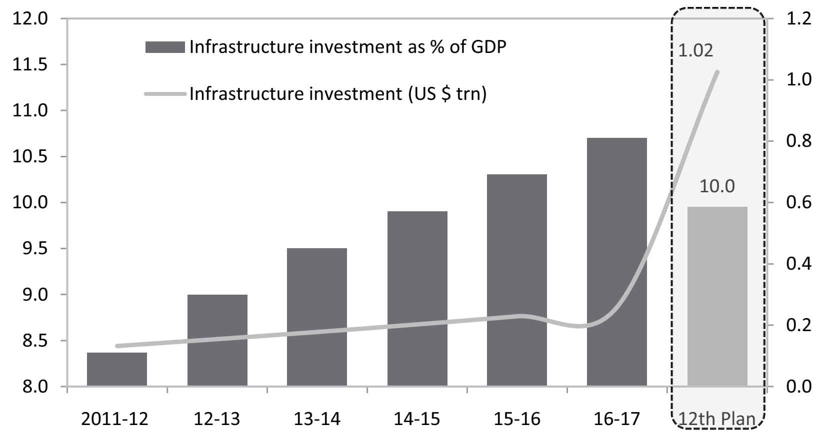
The projections presented in the table suggest that the economy will enter the Twelfth Plan in a much stronger position as far as infrastructure is concerned than existed at the start of the Eleventh Plan. Investment in infrastructure will be around 8.37 % of GDP in the base year of the Twelfth Plan.

Year	2011-12	12-13	13-14	14-15	15-16	16-17	12th Plan
GDP at market prices (Rs. in Crore)	63,14,265	68,82,549	75,01,978	81,77,156	89,13,100	97,15,280	4,11,90,064
Rate of growth of GDP (%)	9	9	9	9	9	9	9
Infrastructure investment as % of GDP	8.4	9.0	9.5	9.9	10.3	10.7	10.0
Infrastructure investment (Rs. in Crore)	5,28,316	6,19,429	7,12,688	8,09,538	9,18,049	10,39,535	40,99,240
Infrastructure investment (US $ billion) @ Rs.40/$	132.08	154.86	178.17	202.38	229.51	259.88	1,024.81

(Source: Secretariat of Infrastructure)

If GDP in the Twelfth Plan period grows at a rate above 9 %, it should be possible to increase the rate of investment in infrastructure to around 10.70 % in the terminal year of the Twelfth Plan period as indicated in the table. These projections imply that the investment in the infrastructure sector during the Twelfth Plan would be of the order of Rs. 40,99,240 crore or US $ 1.02 trillion. At least 50 % of this should come from the private sector. The success of the PPP model has clearly shown that this target is achievable.

Chart: Infrastructure Investment projected for the 12th Plan



(Source: Secretariat of Infrastructure)

PPP model for Infrastructure development

One of the critical aspects of consolidating the infrastructure of our country is to strengthen the Public-Private partnership model. While we have made significant progress in building assets using this model, there are several steps that needs to be done.

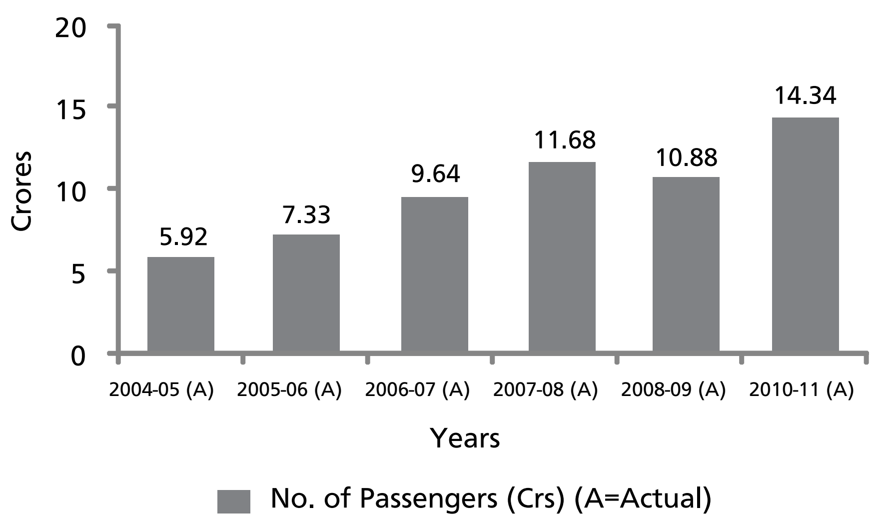
- The states' progress in the execution of PPP projects has been quite uneven. Some southern and western states have implemented more projects as compared to the states in the north and the east.
- The decision making processes can be less cluttered, thereby enabling new ideas and ventures to be attempted without undue delay.
- The states will need to develop the capacity to identify possible PPPs to develop bankable projects and bid them out and thereafter monitor their costs.

Airports Sector

Aviation has been recognized as one of the fastest growing sectors in India. With modernization, technological development and fleet expansion, the Indian Aviation Sector has experienced significant changes in the recent past. Now, a large number of people prefer to travel by air due to time saving and rising disposable income. Consequently, the overall passenger traffic growth in 2010-11 has been 15% with International and domestic traffic growth at 10.4% and 17% respectively.

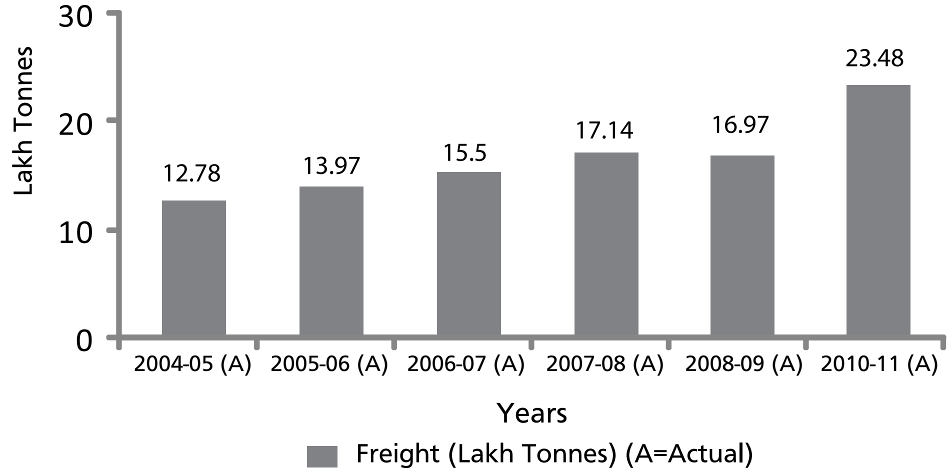
The financial health of Indian carriers is at risk due to spiraling fuel prices and increased operational cost. Though the industry has many success stories in the LCC segment, financial health of airlines, oil price and other taxations, international operations of Indian LCC's will be the main focus areas of Indian aviation in the coming year.

Growth of Air Passenger Traffic



Keeping with the growth of Air Passenger Traffic, fleet sizes have also grown significantly. According to projections made by Boeing, over the next 20 years (2029-30), the Indian market would require 1000 commercial jets valued at approximately $100 billion.

Growth of Air Cargo Traffic

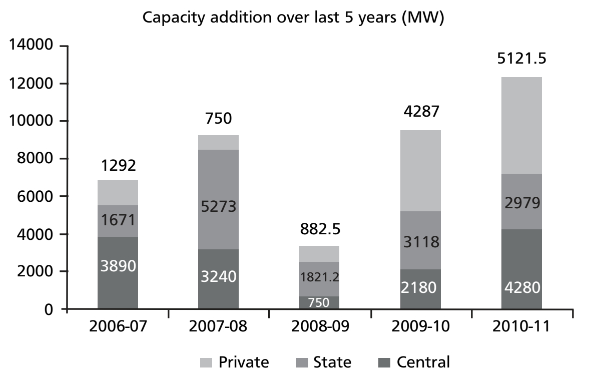


Key Industrial Drivers

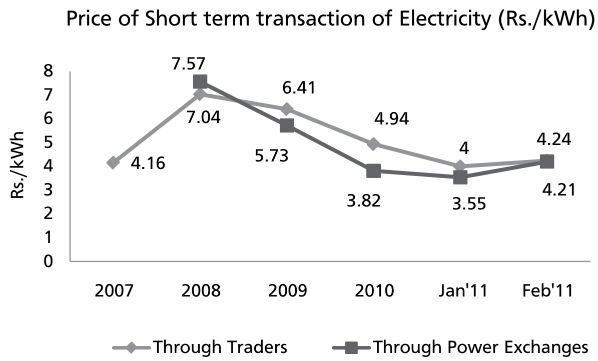
On an overall level the economic growth, increased fleet size, higher income levels of the new generation working population and a more aware traveler, all have a significant impact on the need for growth in the sector. Apart from the macro determinants, there are other more specific industry factors which suggest that the demand for airport services will continue to grow. Some of these factors are the growth in inbound tourism, outbound passenger travel, inbound business travel, low cost carriers and increased cargo movements.

Energy Sector

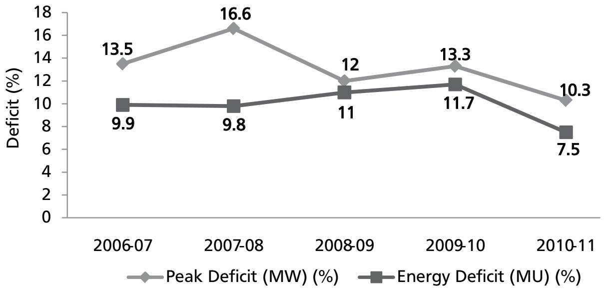
Indian Power sector has come a long way since reforms were first introduced in 1991. The Electricity Act 2003 however, proved to be the landmark step for the sector reforms. Provisions of the Act such as "Delicensing of generation", "Procurement of power through competitive bidding" and "Recognition of power trading", etc. have been key enablers for attracting huge private interest in the sector. The number of private players in the power sector has correspondingly increased to a significant level in the past few years. It is evident from the graph below that capacity addition in the Private sector has outpaced additions in State and Central Sectors in the past 3 years.



Tariff trends



Indian power sector continues to be in the demand supply deficit regime with the peak deficit and energy deficit for Financial Year 11 being 10.3 % and 7.5 % respectively. As evident from the graph below, the situation has however improved in Financial Year 11 with the deficit levels decreasing when compared with the same in Financial Year 10. On the back of faster capacity addition in the coming years it is expected that deficit levels will further come down.



Even in the reducing deficit scenario, the sector provides huge business opportunities. If we were to achieve the much talked about 10 % GDP growth number, power sector will be one of the major enablers which can help us in achieving this growth.

It would be pertinent to be conscious of certain ground realities which pose a risk to the reducing deficit scenario-Delays in capacity addition – In all the Five Year Plans till now, the actual capacity additions have always fallen short of targets. In the current Five Year plan too, the actual capacity addition is expected to be lower than the targeted addition of 78,000 MW.

Availability of Fuel –Coal linkage has not been awarded to several power projects which will be ready for commissioning in the first half of Twelfth Five Year Plan (by 2014-2015). This delay is a potential threat to the planned capacity coming upon time. This will affect timely completion of some critical stages of the Project Implementation Process such as grant of key approvals & clearances such as Environmental Clearance, Consent to Establish & Financial Closure.

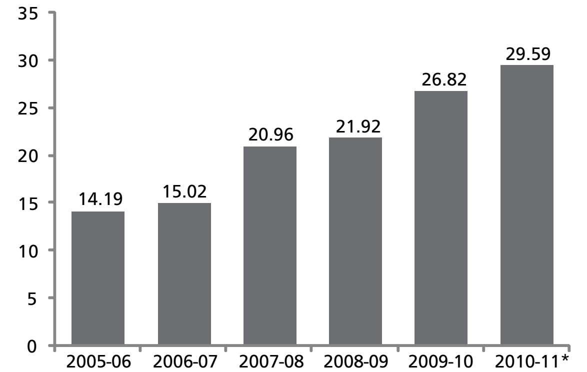
During fiscal year 2011, the shortage of coal impacted power generation. As per CEA, only 92.6 % of the total requirement of coal was available during the year, leading to a loss of generation of about 7 billion units. The situation continued to be grim towards the end of the year because as on March 31, 2011, 29 power stations had critical stock including 13 stations with super critical stock i.e. stock for less than 4 days.

Regulatory changes –The important regulations which came out during the year were:

- Sharing of Inter State Transmission Charges and Losses Regulations, 2010 – The new regulations are expected to bring more efficient transmission pricing regimes. The "Point of Connection method of sharing the cost of inter-state transmission services" under the new regulations would replace the present method of regional "Postage stamp pricing."
- All future requirement of power should be procured competitively by distribution licenses: This regulation from CEA which has come into effect since January 5, 2011 is expected to end the cost plus regime of tariff determination enhancing competition in the sector.

The Power trading industry has grown considerably over the past few years. As evident from the graph below, volume of electricity traded has more than doubled during the period FYs 06- 11.

Volume of Electricity transacted through Traders and PX's (BU)



* Includes Provisional data for Mar'11

Source: CERC Market Monitoring

Urban Infrastructure & Highways Sector

India has the second-largest road network in the world, aggregating 3.34 million kilometers. Roads carry about 65 % of the freight and 80 % of the passenger traffic. While national highways / expressways constitute only about 71,134 Km (2 % of total roads), they carry 40 % of the road traffic. Also, the number of vehicles has been growing at an average rate of 10.16 % per annum over the last five years. This signifies the huge potential for highways development in the country.

Out of the total Indian Road Network of 3.34 million kilometers, National highways constitute 70,934 Km while Expressways are around 200 Km. Currently, about 30 % of the total NH network is still single-laned, 53 % double-laned and 17 % four/six/eight-laned. According to the Planning Commission report, the road freight industry will be growing at a compounded annual growth rate (CAGR) of 9.9% from 2007-08 to 2011-12. A target of 1,231 billion ton kilometer (BTK) has been put on road freight volumes for 2011-12. (Source: Planning Commission reports).

The Government of India has taken several initiatives to encourage private investment in roads. Some of the key initiatives are:

- NHAI has introduced a scheme for annual pre-qualification of bidders. This major initiative would be helpful in cutting short the bidding process of highway projects
- All NHAI tenders after August 2011 will be through e-Tendering
- Government of India to carry out initial preparatory work including land acquisition and utility removal. Rights of way to be made available to concessionaries free from all encumbrances
- Government to bear the cost of the project feasibility

study, land for the right of way and way side amenities, shifting of utilities, environment clearance, cutting of trees, etc.

- Foreign Direct Investment up to 100% in road sector
- NHAI / Government of India may provide capital grant up to 40% (maximum) of project cost to enhance viability on a case to case basis
- 100% tax exemption for any consecutive 10 out of 20 years from the Commercial Operation Date.
- Concession period extended up to 30 years
- Duty free import of specified modern high capacity equipment for highway construction
- Government of India has approved 100% foreign direct investments for road and highway construction through the automatic route
- Arbitration and Conciliation Act 1996 based on UNICITRAL provisions.
- In BOT projects concession holders are allowed to collect and retain tolls
- Planning Commission, NHAI and Ministry of Road Transport and Highways have introduced a model concession agreement to mitigate the traffic risks of toll based projects – pursuant to which the concession period will be extended or reduced based on actual traffic.

For the five year plan period (2007 to 2012), the Indian government has predicted a requirement of US$ 90 billion to enhance the nation's road infrastructure. With the initiation of the National Highway Development Program (NHDP), the government is looking forward to sponsor more than 200 schemes under the NHDP. The average plans are anticipated to use US$150 million-US$200 million while bigger plans are likely to touch US$700 million to US$800 million. The acquisition method prefers firms with decent knowledge and sound fiscal vigor.

During the financial year 2011-12, about 7,300 Km of the National Highways are to be developed that is likely to translate into a Rs.70,000 Cr opportunity for developers. The market potential for developers is also enhanced by State level projects. More than 10 Indian states are vigorously scheduling growth of their highways.

It is believed that the Sector is on fast track owing to: 1) Political will; 2) Structural Changes; and 3) Buoyant Capital Markets (boosts confidence levels that fund raising is still an option). The Sector looks positive as in the recent past not a single Road project has failed to achieve financial closure. This reflects the increasing readiness and confidence of the financiers to fund Road Projects. Going ahead, we expect both domestic as well as international funds to flow into the Sector to capitalize on the upcoming lucrative opportunities in the Sector.

Finally, it is believed that with required structural, financial and procedural changes, the aggressive target of constructing 20 km/day, as against 6 km/day achieved during last fiscal year, is still achievable. But this requires NHAI to be efficient in clearing regulatory issues like land acquisition, utility shifting and environmental clearances which still remain a big dampener for project execution. The Ministry of Roads, Transport and Highways is also playing a very active role in achieving this ambitious target by setting themselves monthly targets for project award and completion, which enables close monitoring and control.

The "Global Competitiveness Report 2007-08" by the World Bank points at the "Inadequate supply of Infrastructure", which is the most problematic factor for doing business in India, and which sums up the crucial role that infrastructure plays in ushering growth hereon. Hence, investment in Road infrastructure has been the focal point in recent years, as the government has ultimately recognized the fact that inadequate infrastructure has been constraining growth and investment in the country.

It is believed that there exist significant opportunities in the Road Sector, which can provide investors a platform to grow and expand in the Indian economy. The government is also focusing on nurturing the profitable partnership with the private sector to bridge the investment and knowledge gaps in the Road infrastructure. However, investment in Road Infrastructure entails substantial investments, and while returns are also high, investors will have to accept the long gestation periods involved. Thus, it is clear that the way ahead is through well-defined and innovative partnerships.

Urban Infrastructure Sector

a. Special Economic Zones / Special Investment Region

Asia's first Export Processing Zone (EPZ) was set up in Kandla in 1965. With a view to attract larger foreign investment in India, the Special Economic Zones (SEZs) Policy was announced in April 2000. This policy was intended to make SEZs an engine for economic growth supported by quality infrastructure and by an attractive fiscal package, both at the Centre and the State level, with minimum possible regulations. The functioning of SEZs in India is guided by the provisions of the Foreign Trade Policy and fiscal incentives have been made effective through the provisions of relevant statutes. Special Economic Zones Act, 2005 instills confidence in investors and to impart stability to the SEZ regime thereby generating greater economic activity and employment through the establishment of SEZs, by providing simplification of procedures and single window clearance on matters relating to Central as well as State Governments. Exports from the functioning SEZs have grown considerably from 2003-04 at a CAGR of 48%. The Union Budget 2011 has imposed Minimum Alternate Tax on SEZ units, thereby negating part of the advantages of the SEZs. Also, the proposed Direct Tax Code will have a serious bearing on the fiscal benefits of SEZ. Considering these environmental changes, your Company has decided to concentrate on Large Area Development as Special Investment Regions, with part of the area designated as SEZ and the rest as Domestic Tariff Areas.

b. Property Development

As part of the Aerotropolis development in Delhi and Hyderabad Airports, the Group has started real estate development. As detailed elsewhere in this report, various themes have been envisioned for development at Hyderabad Airport. For Delhi Airport, the Hospitality District is under implementation.

Segment wise performance outlook

Passenger traffic growth in the year 2010-11:

Airports

Indira Gandhi International Airport (IGIA), New Delhi

IGIA-New Delhi recorded 29.94 Mn passengers' traffic in 2010-2011, which is an overall growth of 14.7 % over the previous year. Cargo volume has touched 600,000 MT for the year 2010-2011, recording an overall growth of 20% over the previous year.

Key milestones and achievements:

- Commencement of Terminal 3 (T3) commercial operation without any major glitches well ahead of the Commonwealth Games
- Completed rehabilitation of Runway 10/28
- Opening of Northern access road for better connectivity
- Opening of Transit Hotel with 40 rooms for domestic & 60 rooms for international
- Awarded Gold rating by IGBC LEED Certification for Green Building
- New airlines during 2010-11 - Air Asia (Thai & Malaysia), NAS Air, EAST Air, Philippines Air, Armavia
- New destinations in 2010-11 - Toronto, Milan, Riyadh, Dushanbe, Manila, Yerevan
- Airport Metro Express link started its operation in February 2011

At IGIA, an integrated noise management system has been formed in association with airlines and other airport stakeholders such as AAI, DGCA and ATC (Air Traffic Control). This has helped DIAL establish the Aircraft Noise Monitoring System (ANMS) that will monitor and measure aircraft noise.

IGIA has undertaken the following noise mitigation steps during the reporting period:

- Regularly conducted ambient noise monitoring at different locations in and around the airport including areas under the takeoff and landing funnels.
- Maintained all equipment operating within the airport in good working condition, designed engine enclosures and provided intake silencers (such as on DG Sets) to reduce noise at ground level in the premises
- Acoustically treat terminal buildings as well as all the offices within the airport boundary
- Integral part of the "working group on airport noise" formed by DGCA. The group is exploring various possibilities and developing feasible measures to reduce excessive noise in the vicinity of IGIA

IGIA has undertaken the following steps towards environment sustainability during the reporting period:

- Sewage Treatment Plan operational with advanced tertiary treatment viz. ultra filtration and RO technique and latest water treatment equipment to achieve zero water discharge plan. The entire treated water is being utilized for air-condition cooling i.e. Heating, Ventilating, and Air Conditioning (HVAC) and horticulture activities.
- Advanced stage of issuance of Certified Emission Reduction (CER) for energy reduction measure taken at T3 terminal by UNFCC - Clean Development Mechanism (CDM)
- The new T3 terminal has incorporated 'segregation at source' using twin bin system i.e. food & recyclables by passengers, concessionaires and all service providers

Awards and Recognitions

During the period under review, your company and its subsidiaries / associates have received the following awards / recognitions:

- In 2010, IGIA has been ranked 12th out of 154 participating airports in overall category based on ASQ (Airport Service Quality) score and selected for ACI (Airport Council International) Director General's Recognition Award. It has also been rated for the second consecutive time as the 4th Best Airport in the World in its category.
- T3 of IGI airport first amongst the world's airports to be awarded the LEED NC Gold rating.
- Award for "Airport with Most New 'Non – Regional' Routes"
- "Best International Project" by British Construction Industry Award (BCIA) for the best International Project among 180 International Projects.
- "Best infrastructure award" - KPMG infrastructure awards 2010
- "PPP Project of the Year" - KPMG infrastructure awards 2010

Rajiv Gandhi International Airport (RGIA) – Hyderabad

In FY 2010-11, GHIAL has seen a 17.6 % growth in overall passenger traffic with international traffic growing by 11% and domestic traffic growing by 20 %. International air traffic movements (ATMs) grew by 2 % and domestic ATMs grew by 4 %.This has resulted in an overall ATM growth by 3 %. It is worthy to note that passenger traffic grew by a healthy 18 % although the capacity has been increased marginally, which resulted in a healthy seat load factor for airlines.

Our mission is to establish Hyderabad Airport as South & Central India's gateway and hub of choice. All our airline marketing initiatives are worked around to accomplish this mission. On the international front, Air Asia started operations to Kuala Lumpur from June 2010 and operations ceased in January 2011. Air India launched B777 operations via Delhi to Chicago, New York and Toronto. On the domestic front Indigo has added 5 new frequencies from Hyderabad which included Trivandrum, Ahmedabad and Raipur. SpiceJet has increased 4 frequencies and started flying to Kochi. Additional frequencies were added to Mumbai, Delhi and Ahmedabad. Jet Airways has started 12 new frequencies effective 27th March, 2011 which are mainly connecting 2nd and 3rd tier catchment cities of Hyderabad. New Sectors for Jet Airways included Vijayawada, Bhubaneswar, Nagpur, and Jaipur (1 flight each). Direct non-stop flights started to Indore, Bhopal (1 flight each as against earlier hopping flight). Additional frequencies started to Vizag (1 additional frequency) Pune (2 additional frequency). Increased capacity on Bangalore route (converted from ATR to B 737). Apart from these confluence flight to Chennai and Mumbai (Confluence flight carry international passengers after both immigration and customs clearance from Hyderabad itself and having their onward international connecting flights from Chennai and Mumbai). Apart from these, there has also been an increase in the schedules on the existing routes by other carriers such as Air India and Kingfisher. The summer schedule 2011 witnessed a remarkable addition of flights which will foster traffic growth.

Highlights:

- Passenger traffic grew by 17.60% Year to-Year (Y-o-Y) to 7.63 mn; Cargo traffic grew by 22.89% Y-o-Y to 80777 tonnes (MT).
- Malaysia Airlines increased its weekly frequency from 4 to 7
- Lufthansa Cargo increased its weekly frequency from 1 to 3
- Jet Airways added 12 domestic flight routes.
- Agreement signed between Spice Jet & GHIAL to improve & strengthen regional connectivity out of Hyderabad on April 8, 2011.
- Signed MoU with Lufthansa Cargo AG (LCAG) for making Hyderabad as Pharma Hub for LCAG and joint marketing of the facility
- Pharma Zone operations at the Cargo terminal commenced from 1st January 2011
- Agreement signed in September 2010 with TCI for Road Feeder Service from RGIA
- Approval received in November 2010 for hike in UDF.
- Airport Service Quality : World no. 1 ranking for the second consecutive year in the 5-15 million passengers category with overall score of 4.51 on a scale of 1-5
- APSRTC commences operation of buses directly from the Airport to nearby major towns.
- GO KARTING in the Car Park area commenced operations– in line with strategy to develop the car park area as a leisure destination for people from the city.
- Hyderabad Duty-Free (fully owned subsidiary of GHIAL) commenced operations in July 2010.
- Approval from Development commissioner received in August 2010 for the Aviation SEZ.
- Launched MICE Bureau in collaboration with AP State Govt and HICC in Oct 2010.
- Received 'Best Airport in India' National Tourism Award 2009-10 by Ministry of Tourism

Istanbul Sabiha Gokcen International Airport ("ISGIA")

GMR holds 40% of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme A.S.), the company which is operating and expanding ISGIA through a BOT agreement for 20 years (extended by an additional 2 years). Other shareholders of ISGIA are Limak Holdings of Turkey with 40% and Malaysia Airports Holdings Berhad with 20%. The Consortium took over the operations in May-2008 and the new integrated passenger terminal off 25 mppa capacity was completed and successfully inaugurated on October 31, 2009.

Key highlights of ISGIA during the year:

- ISGIA closed CY 2010 with 11.6 mn passengers which corresponds to a 75% growth compared to the previous year. ISG continues to rank among the fastest growing airports in the world.
- ISGIA released the payment of €76.5mn towards its first instalment of utilization fee. The symbolic check was presented to The Under Secretariat for Defence Industries of Turkey at a ceremony held in January 2011
- ISGIA was selected as the Best Airport at the World Low Cost Airlines Awards on September 29, 2010 in London. The award was given post nomination and voting by 38 international airlines
- 16 new airlines started flights out of ISGIA including Span Air, Moldovian Airline, Fly Dubai, Air Moldova, Wizz Air, Transavia, Wataniya, Cham Wings, Mahan Air, Air Libya, Aero Rent, Vueling and Air Batumi.
- The prestigious journal 'Risk Management' named ISGIA to be among the 5 safest places on earth with its unique earthquake ready infrastructure
- The works for building a perimeter road around the airport has been completed, which will reduce runway crossings and enhance the runway capacity. The declared airside capacity of ISGIA has increased to 32 ATM / hour from the previous 28 atm / hour

GMIAL (GMR Malé International Airport Private Limited)

GMIAL (GMR Malé International Airport Private Limited) is a Brownfield airport in Malé, capital city of Maldives through a partnership between GMR Group (77 %) and Malaysia Airports Holdings Berhad (23 %). The bid was won through an international bid process run by IFC amidst competition from TAV-ADK, GVK etc. The consortium signed the Concession Agreement on June 28, 2010.

Significant progress made since then:

- Took over the operations of the airport on November 25, 2010– 4 months ahead of schedule.
- Traffic has grown over 10 % in the months of operation compared to the same period last year.
- Rolled our organizational development initiatives under 7S framework
- Rolled out Terminal improvement plan and Service quality improvement initiatives to improve service levels.
- In the process of implementing SAP to improve systems and process.

The year-on-year growth in traffic witnessed at the airport:

	April 2010 – April 2011
Domestic Passengers	9.05%
International Passengers	21.63%
Domestic ATM	21.70%
International ATM	13.09%

Energy

The year under review saw the following significant milestones being accomplished by your Company in the Energy Sector:

- Successful commissioning of GMR Energy Limited barge on combined cycle at Kakinada
- Obtained favorable decision from Appellate Tribunal on commercial issues with TNEB
- Financial closure of the 768 MW Rajahmundry & 1370 MW Chhattisgarh Energy Projects.
- Approval of the Kamalanga Project expansion by an additional unit of 350 MW; EPC contract has been awarded for the same..
- Environmental Clearance obtained & Implementation Agreement signed with Government of Himachal Pradesh for Bajoli Holi Project
- Foray into transmission sector by winning two projects in Rajasthan
- Foray into Renewable Energy sector with a 25MW solar project in Gujarat

Power generation

Units Generated (MU)	GEL	VPGL	GPCL	Total
2010-11	960	2,816	908	4,684

Business Wins

Won bid for developing 2 transmission projects in Rajasthan which involves setting up of 320 km of 400 KV and 85 km of 220 KV Transmission lines and 2 associated 400 KV substations.

Awards won during the year

- Vemagiri Plant won the National Energy Conservation Award in recognition of the energy conservation measures implemented by the plant.
- Vemagiri plant was awarded the "Innovative Environmental Project" at the CII Environmental Best Practices Award 2011 organized by CII – Godrej Green Business Centre, Hyderabad
- Vemagiri Plant received the Sustenance Award under Large Scale Category from ABK AOTS-CUMI Alumni association from Japan

MoU's signed

- Signed MoU with Government of Gujarat for developing a 25 MW Solar Project in the state.
- MoU signed with Government of Madhya Pradesh for development of a 1980 MW coal based power plant in Bundelkhand region.

Highways Sector

GMR Group has six operating highways across India measuring a total length of around 1684 Lane Km. These include three Annuity based projects: Tuni - Anakapalli, Tambaram - Tindivanam, Adloor Yellareddy - Gundla Pochanpalli and three Toll based projects: Ambala - Chandigarh, Thondapalli - Jadcherla and Tindivanam - Ulundurpet. The Highways sector generated an income of Rs. 390.25 Cr during 2010-11 with a balanced mix of Toll and Annuity income.

Annuity Road Projects

- GMR Tuni-Anakapalli, a 236 Lane Km stretch road project on NH5, Andhra Pradesh commenced commercial operation in December 2004. The concession period for the project is 17.5 years with an operation period of 15 years.
- GMR Tambaram-Tindivanam, a 372 Lane Km stretch road project on NH45, Tamil Nadu commenced commercial operation in October 2004. The concession period for the project is 17.5 years with an operation period of 15 years.
- GMR Pochanpalli, a 412 Lane Km stretch road project between Adloor -Yellareddy and Gundla Pochanpalli on NH7, Andhra Pradesh commenced commercial operation in March 2009. The concession period for the project is 20 years with an operation period of 17.5 years.

Toll Road Projects

- GMR Ambala-Chandigarh, a 140 Lane Km stretch between Ambala and Chandigarh on NH21/ NH22, Haryana-Punjab which commenced commercial operation in November 2008. The concession period for the project is 20 years including a construction period of 2.5 years.
- GMR Jadcherla, a 232 Lane Km stretch between Thondapalli and Jadcherla on NH7, Andhra Pradesh which commenced commercial operations in February 2009. The concession period for the project is 20 years including a construction period of 2.5 years.
- GMR Ulundurpet, a 292 Lane Km stretch between Tindivanam and Ulundurpet on NH-45, Tamil Nadu which commenced commercial operation in July 2009. The concession period for the project is 20 years including a construction period of 2.5 years.

Road Sector Performance

During the year, your company has successfully completed the financial closure of all three road projects namely Hyderabad-Vijayawada, Chennai ORR and Hungund-Hospet. Construction activities including structures at all three project locations have also commenced during the last fiscal year and it is expected that operations will commence as per schedule.

Hyderabad-Vijayawada Road Project.

In May 2009, a consortium led by GMR Group was awarded a 25 year concession to develop the 181.6 Km Hyderabad -

Vijayawada toll road on NH-9. The project involves widening of the two-lane road to four lanes and subsequent widening to six-lanes. The concession period includes a construction period of 2.5 years. The company expects to commence commercial operation of this project in early 2012.

Chennai Outer Ring Road Project.

The Chennai Outer Ring Road in Tamil Nadu measuring 29.65 km is the Group's first state highway project. It entails design, construction, development, finance, operation and maintenance of the six lane road and two service lanes from Vandalur to Nemilicheri section in Chennai. The project is annuity based with a concession period of 20 years that includes construction time of 30 months.

Hungund-Hospet Road Project:

Hungund-Hospet project measuring 99 Km on NH-13 is the Group's first project in Karnataka. The project involves widening of the existing two-lane stretch to four-lanes. The concession period for the project is 19 years which includes a construction time of 30 months. The project is being developed by GMR Group along with its consortium partner Oriental Structural Engineers Pvt. Ltd.

Environmental Protection and Sustainability

The industrial entrepreneurial success of your company is integrated with strong Environmental Management practices across all process operations. Clean environment is our top priority and to support that several unique schemes have been implemented and continually progressed to prevent pollution and conserve natural resources to achieve sustainable development.

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorized agencies. Continuous Ambient Monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like Stack emissions, ambient air quality etc. are much below the stipulated norms.

Vemagiri and Chennai units are certified with OHSAS 18001, ISO 14001, ISO 9001 and work is on for establishing Integrated Management System Certification for Quality, Environment, Health, and Safety in all our existing and proposed units.

At the Chennai plant, a fully integrated Sewerage Water Treatment Plant (STP) has been set up including Reverse Osmosis process for treating 10% of Chennai city's total sewage saving fresh water intake of 5,400 m3/day, which is equivalent to the water use by 100,000 people. The treated STP water is used for cooling operations and green belt development. Waste Heat Recovery Boilers generate steam for use in indirect heating of fuel storage tanks and pipelines. Solar energy is used to illuminate the boundary fence.

At the Vemagiri Plant, the gas turbine uses the advanced Dry Low NOx (DLN 2.0 +) burner system to reduce NOx emissions at source. Waste heat from the gas turbine is used for power production in the steam turbine through Heat Recovery Steam Generator (HRSG). Reuse of Steam Condensate and HRSG is designed for zero make up.

At GMR Hyderabad International Airport Limited (GHIAL), special environment friendly design features have been incorporated for power savings by using natural sun light. The Lighting per square foot in the passenger terminal block uses only 0.9 watts of energy as against the minimum of 1.3 watts prescribed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

Outlook for FY 2011-12 and future plan:

Sankalp 2020 – Developing the long range plan for GMR

During the year the group undertook an important exercise called Sankalp 2020 – a process of evolving the group's vision and aspiration for 2020.

The Board of GMR Group felt the need for long-term strategy/aspirations for the Group for some time. Corporate Strategy & Planning Department of the Group worked with the senior management team across sectors. The culmination of more than 3 months' effort was conducting a 4-day Group Aspirations workshop titled 'Sankalp 2020' – meaning "pledge". The first two days of the workshop were dedicated to Senior Management Team and the next two days were exclusively for the Group Holding Board. The four days of the workshop were facilitated by eminent dignitaries from both academia and industry.

The workshop commenced with a presentation on the macro economic factors shaping up for the next decade thus stimulating the thought process among the participants. The conducive atmosphere was taken forward to brainstorm and discuss in small groups of management teams as to what should be the aspirations for the Group. After the intensive two days exercises, the senior management team articulated their views on several different dimensions of the 'Group Aspirations 2020'.

The outcomes of the exercise was defining a clear set of Group Aspirations on 6 business dimensions (such as sector portfolio, competitive position, organization, ROCE, brand and geography) as well as redefining the Group's vision statement. The key aspect of the revised Group vision is the inclusion of the aspiration of perpetuity in the vision statement.

GMR Group Vision – GMR Group will be an Institution in perpetuity that will build entrepreneurial organizations making a difference to society through creation of value

Airports

Macro-economic factors affecting the Indian aviation industry:

1. Fuel (Oil) Price: One of the main areas of concern in the Indian aviation industry is the rising crude prices. Concerns get further aggravated due to high taxes on the Aviation Turbine Fuel (ATF). Globally, ATF costs account for around only 10-15 percent of the airline operating cost, whereas it is nearly 35 percent of the operating cost of India based airlines. Urgent rationalization of tax structure is needed and taxes should be at par with international standards.

2. High inflation: Over the past few quarters, interest rates in India have been spiraling upwards. It appears that due to inflationary pressures, interest rates will be kept artificially high and it is unlikely to come down in the near future.

Delhi Airport

The outlook for Delhi airport will be driven by the broad growth expected in both passenger and cargo traffic.

- Passenger traffic is expected to grow at 8-10 % in 2011-12 and 10% p.a. during the next two years.
- Cargo traffic out of Delhi is expected to grow at a rate of 14 % in FY12 & around 12 % p.a. during next the next two years.
- Domestic traffic is projected to grow faster than international traffic for passengers as well as for cargo

The company will continue to work towards the following strategic objectives:

- Emerge as an international air traffic "Hub"
- Optimize costs
- Establish better connectivity to the airport
- Attract and retain talent
- Monetize commercial property around the Airport

Hyderabad Airport

GHIAL is expected to witness a passenger traffic growth of 12-14 % and cargo tonnage growth at 16% during FY12.

The company will work towards achieving the following strategic objectives:

- To make Hyderabad the regional hub of South India
- To position Hyderabad as the Cargo and Logistics hub of India
- To maintain and improve our world no.1 ACI ranking
- Conversion of taxiway as Standby-runway on permanent basis
- Significantly reduce International peak time baggage retrieval time

SGIA

The Turkish Aviation industry growth mirrored the global economic recovery.

- ISGIA achieved an overall traffic growth of 76 % in 2010 to reach 11.6 Million passengers.
- The passenger mix at ISGIA is: 70 % domestic and 30 % international traffic
- The strategic initiatives proposed to meet the future goals are:
  - Sustaining the fuel margins through open access model
  - Attracting more international routes
  - Improving retail / commercial revenues
  - Pursue 2nd runway opportunity
  - Expedite development of airside facilities
- Airport connectivity is expected to improve with the proposed subway system, Marmaray rail and Metro Projects which are all planned for commencement in 2014

Male International Airport

The key drivers for the Male International Airport are:

- Passenger profile - Preferred high end tourism destination with high propensity to spend
- Well-connected airport to Europe, West-Asia, East Asia and China
- Steady incomes from fuel concession

Energy

Your company is on track to implement the different projects which are under different stages of construction & development. The construction activities are in full swing for the 25 MW Solar project which is expected to be completed in Financial Year 12 year itself. Construction activities are in advance stages in three thermal Projects (Rajahmundry, Kamalanga and EMCO), which are due for start of commercial operations in the next calendar year (2012). We have also made significant progress in the development of our coal mines in Indonesia which is expected to start production during Financial Year 12.

Planned Commercial timelines for Operations commencement for various on-going projects:

- Rajahmundry – 2012
- Kamalanga- 2012
- CTPP- 2014
- EMCO- 2012
- SJK-2014
- Alaknanda- 2016
- BajoliHoli - 2016
- UMS- 2016
- UK- 2015
- Talong-2016

Highways

Considering that during the Financial Year 2011-12, about 7,300 Km of National Highways are to be developed that is likely to translate into a 70,000 Cr opportunity for developers, the Group will continue to focus on opportunities in the road sector. This will enable the Group to balance longer gestation periods of the Groups' Airports and Power projects under development with relatively low gestation period of road projects.

The Group's focus will be on projects of longer stretch and higher traffic potential. It is at various stages of the bidding process for new toll and annuity road projects for NHAI and various states. The Group has also submitted documents to NHAI for annual qualification. In our endeavour to maintain a sustainable and robust portfolio which offers significant value to all its stakeholders, we will continue to evaluate various forthcoming road projects on merit, including expressways.

Urban Infrastructure

a. Special Economic Zones / Special Investment Region

The company is planning to develop a 3,300-acre SEZ at Krishnagiri in Tamil Nadu, with respect to which the company has acquired majority of the required land.

The company has also acquired majority stake in Kakinada SEZ Private Limited and is in the process of completing the land acquisition for the same. This is envisioned as a Large Area Development spread over 10,000 acres with designated SEZs and DTAs (Domestic Tariff Area).

b. Property Development

The company has started to develop each of the Hyderabad and Delhi airports and surrounding land as an airport city or "Aerotropolis", with a mix of aeronautical and non-aeronautical developments.

The Delhi airport is expected to include Delhi Aerocity – a world class development constituting hospitality and commercial developments, which may ultimately cover up to 5% of the approximately 5,100-acre land area at the airport. As part of the first phase, the company has leased out 45 acres of land for the development of the Hospitality District. Several leading international and national hotel brands have already commenced construction.

The company further plans to develop approximately 1,000 acres of commercial land at the Hyderabad airport and has initiated several measures towards this. A comprehensive master-plan has been prepared for this "Theme" based approach and certain MOUs are already in place. The company believes that "Aerotropolis" strategy will benefit the Group's relatively new urban infrastructure business by providing large areas for diversified property development in strategically important locations, while potentially boosting the airports business through increased air traffic at the Delhi and Hyderabad airports.

Outlook for FY 2011-12 & future plans:

a. Special Economic Zones/ Special Investment Regions:

With the revival of economy in India as well as in the global arena, the lure of investments in SEZ / Special Investment Regions will increase. Also the increased emphasis in value maximization is leading to a new wave of off-shoring of manufacturing and services to India by global corporates seeking cost economies and Indian skilled workforce. One of the major hurdles faced by prospective investors in the manufacturing sector is the daunting task of acquiring the required land and arranging infrastructure including utilities. The development of large tracts of contiguous land with well developed infrastructure including roads, drains, power and water supply, IT infrastructure, common effluent treatment plant,etc provides prospective manufacturers with a readymade platform for their core activities. GMRs SEZs / Special Investment Region in Krishnagiri and Kakinada will provide this service and has already started attracting potential investors. The first phase of Krishnagiri SEZ is likely to commence during the year 2011-12.

For Kakinada SEZ, a detailed conceptual master-plan has been prepared with the assistance of reputed international consultants and anchor tenants are being finalized.

b) Property Development:

The realty sector has emerged successfully from the downturn of the recent past and has started posting significant gains. The Group will leverage its significant holding in scarce land resources by developing the Delhi and Hyderabad Aerotropolis in order to derive maximum valuation. The Group is in the process of conceptualizing and planning the mixed use development for the second phase of land disbursement at the Delhi Airport in FY 2011-12. The theme based approach at Hyderabad Airport has already been finalized and investments in some of the themes are expected to take off in the year 2011-12.

Institution Building at GMR

During the year, the company continued its effort and investment of building a strong institution. Some of the key initiatives are described in this section.

Leadership Development and Talent Management

GMR has built a robust internal process for continuous leadership development and talent management. The objective is to have a ready pipeline of future leaders for our ever growing needs.

- The company completed the formal Leadership Development program (LDP) for 27 persons with the rank of Associate Vice President and above. The LDP is designed with both formal academic sessions, on the job assignments and mentorship of both internal and external facilitators. In addition, 18 managers promoted to senior level bands underwent the band-transition training program to equip them with the right skills and competencies required post their promotion
- The NextGen program is designed for Middle-level managers to orient them to higher level competencies of managing business. This year, the company completed the NextGen program for 120 managers.
- Board members reviewed the Talent Pipeline through a formal process of talent identification, talent management and deployment.

Information Technology

The company has taken several initiatives to strengthen its assets and processes using Information technology. During the year the company completed the following projects/ transformational initiatives.

- Created a single centralized platform and instance across the entire group. This has helped in consolidation and optimizing resources and management of all the components required namely - Application (SAP), Networking and E-Mail server. This centralized platform is complimented by a Disaster Recovery and Business continuity plan to ensure that IT assets are well protected and safeguarded against unforeseen events
- The company has deployed advanced collaborative tools and protocols that have made people to people connectivity efficient and effective. The company utilizes desktop to desktop communicators (Voice, Data and Video), VoIP and Video Conferences (multi-location facility).
- The company has created tools for management dashboards and decision making using business intelligence tools.

Empowerment

The Company continued to review and enhance empowerment to operations executives. This has helped in freeing up senior management bandwidth for them to focus on key strategic areas.

By this continuous effort the holding board members could spend more than 70% of its time on strategic planning, long range business aspirations, business development and bid reviews.

Sustainability Reporting

At GMR Group, our understanding of Sustainability is to be able to create equilibrium across all 3 dimensions of business – namely Economic, Environment and Society. We have embarked on a journey of Sustainability across our Group. The Group is adopting the globally accepted guidelines laid down by an International body called Global Reporting Initiative (GRI). We have collated various initiatives undertaken by our operating assets in Energy, Airports and UI&H sectors. We are glad that our efforts are bearing fruits. Not only are we completely compliant to environmental norms but also taking proactive steps that create positive outcomes of sustainable development of our businesses, communities and environment. To complement the initiatives of the businesses, GMR Varalakshmi Foundation is contributing to development of communities around our businesses through interventions in health, education, community development and livelihoods.

GMR recognizes the importance of sustainability as a strategic lever and we believe that Sustainability is a key enabler towards achieving our vision of making GMR Group an 'institution in perpetuity'

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2011 and performance of the Company and its subsidiaries during the Financial Year ended on that date are discussed hereunder:

Share Capital Rs. 389.24 Crore (2010:Rs. 366.74Crore)

(Rs. in Crore)

Particulars	March 31,2011		March 31,2010	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
Share Capital - beginning of the year of Re. 1 each (2010: Re. 1)	3,667,354,392	366.74	1,820,658,088	364.13
Add: Fresh issue of Equity shares of Re.1 each fully paid-up to QIBs (2010: Allotted to IDF)	225,080,390	22.50	13,019,108	2.61
Add: Increase in number of shares due to sub division of Equity shares of Rs.2 each into equity shares of Re. 1 each (2010:Re.1)	-	-	1,833,677,196	-
Share Capital - end of the Year	3,892,434,782	389.24	3,667,354,392	366.74

The company made a QIP issue and allotted 225,080,390 shares of Re. 1/- each to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010.

Reserves and Surplus Rs.7,284.26 Crore (2010: Rs. 6,300.32 Crore)

A summary of reserves and surplus is as follows

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Capital Reserve on Consolidation	115.85	113.34
Capital Reserve on Acquisition	3.41	3.41
Capital Reserve Government Grant	92.94	67.41
Capital Redemption Reserve	10.00	-
Securities Premium	7,012.44	5,168.30
Debenture Redemption Reserve	49.09	35.07
Foreign Currency Translation Reserve	59.34	(1.33)
Sub Total	7,343.07	5,386.20
Profit and Loss Account	(58.81)	914.12
Total	7,284.26	6,300.32

The Reserve and Surplus (other than Profit and Loss Account) recorded an increase of Rs 1,956.87 Crore from Rs. 5,386.20 Crore as at March 31, 2010 to Rs 7,343.07 Crore as at March 31, 2011. The detailed analysis of the same is furnished as follows:-

a. Capital Reserve on Consolidation Rs. 115.85 Crore (2010: Rs. 113.34 Crore)

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Balance - Beginning of the year	113.34	70.47
Additions for the year	2.51	42.87
Closing Balance	115.85	113.34

The Capital Reserve on consolidation arises where the cost of investment in subsidiary companies is less than the proportionate share in equity of the investee company as on the date of investment or where the amount paid by minority shareholders is higher than the book value on dilution of interest in Subsidiaries.

The increase of Rs.2.51 Crore during the year is onacquisition of stake from minority shareholders in GMR Airport Developers Limited.

b. Capital Reserve (Government Grant) Rs. 92.94 Crore (2010: Rs. 67.41 Crore)

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Balance - Beginning of the year	67.41	67.41
Additions for the year	25.53	-
Closing Balance	92.94	67.41

During the year, GMR Chennai ORR a subsidiary of the company has received project support fund of Rs. 28.44 Crore from the Government of Tamilnadu (GoTN) as per the concession agreement,of which Group's share amounts to Rs. 25.53 Crore.

c. Capital Redemption Reserve Rs. 10.00 Crore (2010: Rs. Nil)

The increase of Rs. 10.00 Crore is on appropriation from profit and loss account as required in respect of Non-redeemable preference shares redeemed by GMR Energy Limited (GEL) during the year.

d. Securities Premium Rs.7,012.44 Crore (2010:Rs. 5,168.30 Crore)

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Balance - Beginning of the year	5,168.30	5,070.80
Add: Received through fresh issue of equity / preference shares	2,042.08	309.10
Add: Write back during the year	33.80	-
Less: Transferred to Capital Reserve	-	42.87
Less: Utilised towards Debenture/ share issue expenses/redemption premium	211.44	168.33
Less: Transferred to minority	20.30	0.40
Add: Amount received against calls unpaid [2011:Rs. 6,960 (2010: Rs.Nil)]	0.00	-
Closing Balance	7,012.44	5,168.30

There is an addition of Rs. 1,844.14 Crore in the securities premium during the year. The details are as follows:

i. On issue of fresh equity/preference share Rs.2,042.08 Crore is added during the year as follows:-

- Rs. 1,377.49 Crore added on allotment of 225,080,390 equity shares of Re. 1/- each to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 by the Company.
- Rs. 1.28 Crore added on issue of 10,000,000 equity shares by GMR Airports Holding Limited (GAHL) to Welfare Trust of GMR Infra Employees.
- Rs. 663.31 Crore added on issue of 2,298,940 compulsory convertible preference shares by GAHL.

ii. An amount of Rs. 33.80 Crore excess provided towards redemption premium in GEL in earlier years has been written back during the year.

iii. Rs. 211.44 Crore is utilized towards debenture issue expenses, share issue expenses and debenture redemption premium in the Company and its subsidiaries.

iv. Rs. 20.30 Crore is apportioned to minority.

e. Debenture Redemption Reserve Rs.49.09 Crore (2010: Rs. 35.07 Crore)

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Balance - Beginning of the year	35.07	26.91
Less: Transfer to Profit and Loss Account	(31.81)	(16.25)
Add: Transfer from Profit and Loss Account	45.83	24.41
Closing balance	49.09	35.07

An amount of Rs. 31.81 Crore transferred to Profit & Loss Account as the same is no longer required on redemption of debentures of Rs. 425 Crore by GEL. An amount of Rs. 45.83 Crore is additionally created during the year by the Company and GMR Pochanpalli Expressways Limited as required Under Section 117C of Companies Act, 1956 in respect of Non-Convertible debentures (NCD).

f. Foreign Currency Translation Reserve Rs.59.34 Crore (2010: Rs. (1.33) Crore)

While consolidating the overseas entities the balance sheet items are translated at the closing rates as on the date of each balance sheet and the profit and loss items are translated at the average rates for the year while the investments are recorded at the historical value and the exchange differences arising on this are accumulated in foreign currency translation reserve as per the Accounting standards.

g. Balance in Consolidated Profit and Loss Account Rs. (58.81) Crore (2010: Rs. 914.12 Crore)

The decrease of Rs. 972.93 Crore is on account of:

- Loss for the year of Rs. 929.64 Crore (after an exceptional item of Rs.938.91 Crore towards provision for diminution of investment held by a subsidiary of GMR Energy Global Limited),
- allocation of profits to minority on dilution of interest in subsidiaries of Rs. 8.16 Crore
- appropriation of dividend and dividend distribution tax totaling to Rs. 10.77 Crore declared by the Company's subsidiaries
- an amount of Rs.14.36 Crore (Net) was transferred to debenture redemption reserve account and
- transfer of Rs. 10.00 Crore to capital redemption reserve on redemption of preference shares by GEL

Minority Interest Rs. 1,998.10 Crore (2010 :Rs 1,790.15 Crore)

During the year new minority interest got added on Homeland Energy Group Limited ('HEGL'), Kakinada SEZ, GMR Male International Airport Private Limited ('GMIAL') becoming subsidiaries of the Company. Further shares were issued to minority in some of the subsidiaries. Accordingly, minority interest has increased by Rs. 207.95 Crore during the year even after sharing the losses for the year to the extent of Rs. 120.49 Crore.

Preference Share Capital Issued by Subsidiary Rs. 1,814.89 Crore (2010: Rs.200 Crore).

The increase is due to issue of preference share capital by subsidiaries to Private Equity investors as follows:

a) Rs. 1,395 Crore issued by GEL

b) Rs. 229.89 Crore issued by GAHL

During the year, an amount of Rs.10 Crore was redeemed by GEL out of the opening preference capital.

Deferred payment liability - Negative grant/ Utilisation fees Rs. 227.86 Crore (2010: Rs. 333.92 Crore)

a. Negative grant: Negative grant is the obligation which some of the subsidiaries operating in Highways sector have to pay based on the terms of the concession agreements entered into with National highways Authority of India ('NHAI'). The negative grant payable as at March 31, 2011 is Rs. 227.86 Crore (2010:Rs. 250.36 Crore).

b. Utilisation fees: Utilisation fees is payable in connection with Istanbul Airport. Utilisation fees liability as at March 31, 2011 amounts to Rs. Nil (2010: Rs. 83.56 Crore) as Rs. 31.03 crore is paid in excess of the charge during the current year.

Loan Funds

a. Secured Loans Rs. 18,910.69 Crore (2010: Rs. 16,229.40 Crore)

The increase of Rs. 2,681.29 Crore is mainly on account of the fresh Project Loan Disbursements mainly in GMIAL, SJK Power Generation Limited, GMR Rajahmundry Energy Limited, EMCO Energy Limited, GMR Kamalanga Energy Limited etc., to meet the cost of Projects under development.

b. Unsecured Loans: Rs.5,318.89 Crore (2010: Rs. 4,607.95 Crore)

The increase of Rs.710.94 Crore is mainly due to additional deposits from Concessionaires in Airports which have gone up by Rs.437.40 Crore on monetization of real estate in Delhi International Airport and deposits from trade concessionaires. Unsecured Loans from Banks and Others have gone up by Rs. 252.67 Crore which are raised to meet the temporary obligations and also as a strategy to optimize the interest cost before availing the long term loan. The balance of Rs. 20.87 Crore is the concession fee payable to grantors.

Fixed Assets

A statement of movement in fixed assets is given below:

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
1) Tangible Assets	18,982.90	10,037.19
2) Intangible Assets		
Goodwill on Consolidation	937.34	841.43
Carriage Ways	3,517.71	3,517.13
Others	924.37	485.98
3) Assets Taken on Lease	7.91	7.91
Gross Block	24,370.23	14,889.64
Less: Accumulated Depreciation	3,150.27	2,341.58
Net Block	21,219.96	12,548.06
Add: Capital Work in Progress including Capital Advances	9,489.81	10,382.87
Net Fixed Assets	30,709.77	22,930.93
Depreciation / Amortisation as % of Gross Revenues	13.40	11.95
Accumulated Depreciation as % of Gross Block *	12.93	15.73

*Excluding Land

Gross Block has gone up by Rs. 9,480.59 Crore. The major reasons are as follows:

a. Rs. 7,665.57 Crore added in case of DIAL on successful completion of modernization of Delhi Airport and the integrated terminal T3 has become operational during the year.

b. Rs. 580.73 Crore added in case of GEL on its successful completion of the relocation and conversion of barge mounted power plant at Kakinada during the current year.

c. Rs. 83.61 Crore arising from Goodwill on consolidation mainly on increase of company's stake in HEGL which has become a subsidiary during the year.

d. Rs. 1,150.68 Crore additions in various other companies during the year.

Capital Work-in-Progress (including capital advances) has decreased by Rs. 893.06 Crore on capitalization primarily T3 in DIAL and GEL.

Deferred Tax Assets

The Deferred Tax asset has gone up by Rs. 70.95 Crore from Rs. 80.47 Crore as at March 31, 2010 to Rs.151.42 Crore as at March 31, 2011. This is mainly on recognition of Rs. 102.89 Crore of Deferred Tax Asset by GMR Hyderabad International Airport Limited ('GHIAL') which is partly offset by reversal in other subsidiaries.

Investments: Rs. 2,974.14 Crore (2010: Rs. 4,641.05 Crore)

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Long term Investments		
Debentures of Companies/Body Corporates	1,974.13	1,259.64
Equity/ Preference shares of Companies/ Associate Companies/ Body Corporates	49.35	171.45

(Rs. in Crore)

Particulars	March 31, 2011	March 31, 2010
Current Investments		
Mutual Funds and other investments	1,856.70	3,169.98
Equity Shares	34.33	40.05
Less: Provision for Diminution	(940.37)	(0.07)
Total	2,974.14	4,641.05

The investments decreased by Rs. 1,666.91 Crore.

During the year there was a shift in the pattern of investment from Liquid Mutual Funds and other investments to bank deposits to take advantage of higher interest yields offered by banks. The investment in mutual fund has decreased by Rs. 1,313.33 Crore.

A provision of Rs. 938.91 Crore was made towards the diminution in the value of investment of GHML which was reduced from the carrying value of the investments.

Current Assets, Loans and Advances.

a. Inventories: Rs. 184.58 Crore (2010: Rs. 115.92 Crore)

The inventory primarily consists of fuel stocks in airport subsidiaries, stores and spares in energy, airport subsidiaries and GIL EPC division.

There is an increase in inventory by Rs. 68.66 Crore as per the following particulars:

- Increase in the stores & spares of Rs. 15.52 Crore primarily in HEGL which has become a subsidiary during the year.
- Increase in stock of traded goods of Rs. 86.35 Crore is on full-fledged operations in DIAL JVs and increase in fuel stock in Turkey and Male airports (a new subsidiary added during the year).
- Decrease in work in progress and raw materials of Rs. 20.93 Crore and Rs. 12.28 Crore respectively in GIL EPC division.

b. Sundry Debtors: Rs. 1,319.92 Crore (2010: Rs. 864.93 Crore)

Increase of Rs. 454.99 Crore is on account of increase in debtors in GIL EPC division, full-fledged operations in DIAL JVs and consolidation of HEGL and Male Airport. All these receivables are considered good and receivable.

c. Cash and Bank Balances: Rs. 3,373.21 Crore (2010: Rs. 1,682.62 Crore)

The increase in the Cash and Bank Balance by Rs.1,690.59 Crore is mainly on account of shift of Investment pattern from Liquid Mutual Funds to Bank Deposits. These monies are held mainly by the project companies pending investment in the respective projects. Similarly part of the long term funds raised by the Company and by GEL & GAHL are yet to be invested.

d. Other Current Assets: Rs. 762.78 Crore (2010: Rs. 161.65 Crore)

Other Current Assets mainly consists of interest accrued but not due on deposits, claims & grants receivables and other receivables. An amount of Rs. 650.80 Crore on account of development fund receivable in DIAL is added during the year, which is partly offset by decrease in claims & other current assets receivable.

e. Loans and Advances: Rs. 1,851.63 Crore (2010: Rs. 1,315.63 Crore)

There is an increase of Rs.536.00 Crore. The major items covering the increase are security deposit placed with GMR Hebbal Towers Private Limited of Rs.135.00 Crore, loans of Rs. 115.00 Crore given to Welfare Trust of GMR Infra employees,Rs. 94.07 Crore receivable in GHIAL from passenger security fees (security component fund) and increase in other advances.

Current Liabilities and Provisions

a. Current Liabilities: Rs.5,161.72 Crore (2010: Rs. 1,577.49 Crore)

The increase of Rs. 3,584.23 Crore is mainly due to increase of Rs. 2,692.62 Crore in Sundry creditors and Rs. 682.22 Crore in Advances / deposits from customers / concessionaires.

The major increases in sundry creditors are in:

i. GIL EPC division of Rs. 134.79 Crore.

ii. Project companies GMR Chhatisgarh, EMCO & Kamalanga Energy Rs. 610.52 Crore, Rs. 158.47 Crore and Rs. 140.06 Crore respectively on acceptances of LC for capital goods.

iii. DIAL, Rs. 746.82 Crore on capitalisation of T3 during the year and increase in retention money.

iv. Male International airport Rs. 270.22 Crore as the airport is under construction.

The increase in advance / deposits from concessionaires' mainly comprises of:

i. GIL EPC division, Rs. 167.17 Crore of advance received from customers

ii. Male airport, Rs. 34.96 Crore

iii. DIAL, Rs. 65.56 Crore on Infrastructure Deposits received on monetization of the land parcels

iv. GPCL, Rs. 284.96 Crore is the amount received from TNEB against the claim pending

b. Provisions: Rs. 228.05 Crore (2010: Rs. 387.76Crore)

The decrease of Rs.159.71 Crore as compared to last year is mainly due to Rs.32.67 Crore payment made to AAI employees towards voluntary retirement compensation in DIAL and decrease in the provision for debenture redemption premium in GEL as it is redeemed during the year of Rs.106.21 Crore.

Overview of our Results of Operations

The following table sets forth information with respect to our revenues, expenditure and profits on a consolidated basis:

(Rs. in Crore)

Particulars	For the year ended March 31,			
	2011		2010	
	Amount	% of Net Income	Amount	% of Net Income
Gross Sales/ Income from Operations	6,425.04	-	5,123.42	-
Less: Revenue share paid / payable to Concessionaire grantors	651.26	-	556.91	-
Net Income	5,773.78	100.00%	4,566.51	100.00%
Expenditure				
Generation and operating expenses	3,407.35	59.01%	2,576.59	56.42%
Administration and other expenses	810.94	14.05%	625.61	13.70%
EBITDA	1,555.49	26.94%	1,364.31	29.88%
Other Income	311.30	5.39%	291.34	6.38%
Interest and Finance Charges	1,230.06	21.30%	850.28	18.62%
Depreciation	860.92	14.91%	612.24	13.41%
Exceptional Items				
Provision for diminution of investment	938.91	16.26%	-	-
Amounts written back	(140.33)	(2.43%)	-	-
Total Expenditure	2,889.56	50.05%	1,462.52	32.03%
(Loss)/Profit Before Taxation and before Minority Interest/Share of Profits of Associate	(1,022.77)	17.71%	193.13	4.23%
Provision for Taxation				
Current Tax	114.04	1.98%	73.62	1.61%
Less: Mat Credit availed	(16.34)	(0.28%)	(7.27)	(0.16%)
Deferred Tax	(73.80)	(1.28%)	(98.56)	(2.16%)
Total Tax Liability	23.90	0.41%	(32.21)	(0.71%)
(Loss)/Profit After Taxation and before Minority Interest/Share of Profits of Associate	(1,046.67)	(18.13%)	225.34	4.93%
Share of losses of associates (net)	(3.46)	(0.06%)	(21.58)	(0.47%)
Minority interest - share of (profits)/losses	120.49	2.09%	(45.36)	(0.99%)
Net (Loss)/Profit After Minority Interest/ Share of Profits of Associate	(929.64)	(16.10%)	158.40	3.47%

Net Income

The sector wise break-up of the Net Income are as follows:

(Rs. in Crore)

Particulars	For the year ended March 31,			
	2011		2010	
	Amount	% of Total Income	Amount	% of Total Income
Net Sales and Operating Income*:				
Airports Business				
[Net of Revenue Share of Rs. 651.26 crore (2010: Rs. 556.91 Crore)]	2,370.26	41.05%	1,448.99	31.73%
Power Business	2,185.84	37.86%	2,037.56	44.62%
Road Business	390.25	6.76%	346.07	7.58%
EPC division	515.26	8.92%	409.85	8.98%
Others	312.17	5.41%	324.04	7.09%
Total Net Sales and Operating Income	5,773.78	100.00%	4,566.51	100.00%

* All sectoral income are presented net off inter segment.

The net income grown by Rs.1,207.27 Crore representing a growth of 26.44%.

There is a healthy distribution of business over various sectors. The detailed analysis on the sectoral revenues is as follows:

Operating Income from Airport business

Income from our airport business consists of income from aeronautical sources (principally consisting of landing and parking, passenger service fees and user development fees charged), non-aeronautical sources (consisting principally of income from rentals, trade concessionaires and ground handling) and our cargo operations and rentals received in connection with commercial development on land that is part of our airport projects and we have recorded such revenue under income from our airport business, which is offset by the fees that we are required to pay to the AAI. Income from airport business is derived from the operations of DIAL, GHIAL, Sabiha Gokcen International Airport (ISGIA), Turkey and Male International Airport Limited (MIAL).

The gross operating income for fiscal 2011 was Rs. 3,021.52 Crore as against Rs. 2,005.90 Crore for fiscal 2010. As per the terms of Operations, Maintenance and Development Agreement in DIAL, Concession Agreement in GHIAL and MALE, Rs. 651.26 Crore was accounted towards revenue share in the current year.

Net Sales and Operating Income from airport operations has increased by 63.58 % from Rs. 1,448.99 Crore in Fiscal 2010 to Rs. 2,370.26 Crore during the current year. The Airport business has recorded a robust growth on account of increase in Passenger Traffic in all the Airports.

The increase is mainly on account the addition of Malé airport to our airport portfolio as we took over its operations in November 2010 and increased income generated from non-aeronautical services in Delhi airport post commencement of operations in Terminal-3.

Net Income from Airport business contributed 41.05 % of the net income of the Company for the fiscal 2011 as against 31.73 % during the fiscal 2010.

Operating Income from Power business

Income from power business consists of fixed and variable components of electricity tariff charged to the state electricity boards and distribution companies as per the terms of the respective power purchase agreements, generation and sale of power on merchant basis and trading of power.

Income from power business has increased by 7.28 % from Rs. 2,037.56 Crore for fiscal 2010 to Rs. 2,185.84 Crore for fiscal 2011. The increase is resulting from our barge mounted power plant at Kakinada resuming operation after relocation in July 2010 and the results of Homeland Energy, which operates our coal mines in South Africa, being consolidated in our Group financial results for the quarter ended September 30, 2010 onwards.

The share of power business in the total revenue has decreased to 37.86% for the current year as compared to 44.62% during the previous year.

Operating Income from Road business

Income from our road operations is derived from annuity payments received from NHAI for our three annuity projects and toll charges collected from road users of the three toll road projects.

The operating income from Road business has increased by 12.77 % from Rs. 346.07 Crore for fiscal 2010 to Rs. 390.25 Crore for fiscal 2011. The increase is due to full year operation of Tindivanam - Ulundurpet toll project and increase in toll rates and traffic for the Toll based projects.

The share of road business in total revenue has decreased to 6.76 % for the current yearas compared to 7.58 % during the previous year.

Operating income from EPC Sector

Income from our EPC division is derived from the execution of engineering, procurement and construction works in connection with our power and road projects under implementation. We also have a 50 % share in an unincorporated joint venture in Turkey, which has taken up EPC work in connection with the modernisation of the Istanbul airport project pursuant to an EPC contract.

During the current year, the EPC sector has contributed Rs. 515.26 Crore to the Net Operating Income as against Rs. 409.85 Crore in the previous year. The increase is mainly contributed by construction income on account of execution of certain subcontracted portions of turnkey contracts awarded by our power and road projects.

Operating income from Other Sector

Income from other sector includes management services incomes, investment income and operating income of our aviation business. During the current year, the other sector has contributed Rs. 312.17 Crore to the Net Operating Income as against Rs. 324.04 Crore in the previous year.

Other Income

Other income includes income from investments, profit on sale of investments, gain on foreign exchange fluctuations, reversal of provisions no longer required and other miscellaneous income. Other income has increased by 6.85 % from Rs. 291.34 Crore in fiscal 2010 to Rs. 311.30 Crore in fiscal 2011.

Expenditure

The expenditure has the following major components:

- Generation and operating expenses (including consumption of fuel and lubricants, water, salaries and wages of operational employees, operations and maintenance, technical consultancy fee, cost of variation works, insurance for plant and machinery, airport operator fee, cargo handling charges, lease rentals and repairs and maintenance to plant and machinery),
- Administration and other expenses (including salaries, allowances and benefits to employees, office rental, travel, insurance, electricity, consultancy and other professional charges, contributions to provident fund, provision for advances, claims and debts, losses on sale of fixed assets and investments, travelling and conveyance, communication and other miscellaneous expenses),

- Finance charges (including interest on term loans, interest to others and other finance charges viz., prepayment premiums, guarantee commission, bank charges etc.) and
- Depreciation& Amortization

Generation and Operating Expenses:

Generation and operating expenses increased by 32.24 % from Rs. 2,576.59 Crore in fiscal 2010 to Rs. 3,407.35 Crore in fiscal 2011, primarily reflecting the higher volume of fuel trading associated with our airport operations, increased operating expenses associated with the commencement of operations at Terminal 3 at the Delhi airport and addition of Malé airport during middle of the current fiscal and the effect of consolidating the financial results of Homeland Energy in our Group financial results for the quarter ended September 30, 2010 onwards.

Administration and Other Expenses:

Administration and other expenses increased by 29.62 % from Rs. 625.61 Crore in fiscal 2010 to Rs. 810.94 Crore in fiscal 2011, primarily due to increased expenses associated with Terminal 3 at the Delhi airport, addition of Malé airport operations and the effect of consolidating the financial results of Homeland Energy in our Group financial results for the quarter ended September 30, 2010 onwards.

Earnings Before Interest, Depreciation, Taxes and Amortization (EBITDA):

The EBITDA has increased by Rs. 191.18 Crore from Rs.1,364.31 Crore during 2009-10 to Rs. 1,555.49 Crore during 2010-11.

The overall EBIDTA Margin has decreased from 29.88 % in 2009-10 to 26.94 % in 2010-11. During the year the composition of fuel trading revenue is higher compared to 2009-10 which involve a lower margin. There is overall improvement in EBITDA margins in Hyderabad Airport, Turkey airport and GEL. There is a decline in margin in DIAL on account of increased operational expenditure and HEG which has became subsidiary during the year has contributed losses as a result there is a marginal decline in the overall EBITDA.

Interest and Finance Charges

Interest and finance charges increased by 44.67 % from Rs. 850.28 Crore in fiscal 2010 to Rs. 1,230.06 Crore in fiscal 2011. This is mainly on account of interest expenses charged to revenue subsequent to commencement of operations of Terminal 3 in Delhi Airport while the interest was capitalized during the construction phase in fiscal 2010 and the incurrence of a full year of interest charges by ISGIA, following the completion of development of the new terminal at the Istanbul airport in October 2009.

The sector wise interest cost is as follows:

(Rs. in Crore)

Sector	March 31, 2011	March 31, 2010
Power	210.64	170.22
Airport	652.20	394.14
Roads	241.00	214.25
EPC	0.50	0.44
Others	227.32	103.58
Inter segment	(101.60)	(32.35)
Total	1,230.06	850.28

Depreciation and Amortization

Depreciation and amortization increased by 40.62 % from Rs. 612.24 Crore in fiscal 2010 to Rs. 860.92 Crore in fiscal 2011, mainly due to capitalisation of T3 at DIAL and on commencement of operations during fiscal 2011, commencement of operations at the Kakinada power plant following its relocation from Mangalore and the incurrence of a full year of depreciation and amortization charges by ISGIA, following the completion of development of the new terminal at the Istanbul airport in October 2009.

Exceptional Items

In fiscal 2011, we have incurred a one-time non-recurring loss of Rs. 938.91 Crore due to provision for the diminution in value of our investment relating to the arrangements to acquire stake in InterGen, which was sold in April 2011 and the same was partially offset by a one-time gain from a write-back of Rs. 140.33 Crore with respect to our Singapore power plant, which was written off in earlier years.

Profit Before Taxation and before Minority Interest/Share of Profits / (Losses) of Associates

As a result of the foregoing, profit before taxation and before minority interest/share of profits/ (Losses) of associates decreased from Rs. 193.13 Crore in fiscal 2010 to a loss of Rs. (1,022.77) Crore in fiscal 2011.

Taxes

Provision for taxation has increased from Rs. (32.21) Crore in fiscal 2010 to Rs. 23.90 Crore in fiscal 2011, mainly due to the increase in current taxes from Rs. 73.62 Crore in fiscal 2010 to Rs. 114.04 Crore primarily with respect to our energy sector and a lower differed tax and MAT credits during the year.

(Rs. in Crore)

Sector	March 2011				March 2010			
	Current Tax	Def tax	MAT Credit	Total	Current Tax	Def tax	MAT Credit	Total
Power	49.71	32.47	-	82.18	28.86	(74.14)		(45.28)
Airport	16.68	(111.42)	-	(94.74)	0.35	(15.15)		(14.80)
Roads	7.64	0.01	-	7.65	10.51	0.00		10.51
EPC	0.93	(40.52)	-	(39.59)	41.23	0.01	-	41.24
Others	39.08	45.66	(16.34)	68.40	(7.33)	(9.28)	(7.27)	(23.88)
Total	114.04	(73.80)	(16.34)	23.90	73.62	(98.56)	(7.27)	(32.21)

Profit/(Loss) After Taxation and Before Minority Interest/ Share of Profits/(Losses) of Associates

As a result of the foregoing, Profit after taxation and before minority interest and share of profits/ (Losses) of associates has come down from Rs. 225.34 Crore to a loss of Rs. (1,046.67) Crore for the fiscal 2011.

Net Profit/(Loss) after Minority Interest / Share of Profits/ (Losses) of Associates:

Net profit after minority interest/share of profits/ (Losses) of associates decreased from Rs. 158.40 Crore during fiscal 2010 to a loss of Rs. (929.64) Crore during fiscal 2011. Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of minority shareholders for 2010-11 amounts to a loss of Rs. 120.49 Crore as against a profit of Rs. 45.36 Crore for the previous year. The loss from Associates of Rs. 3.46 Crore is mainly on account of loss in Homeland Energy Group during the part of the year when it was associate.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the corporate social responsibility arm of the GMR Group. Its vision is to make sustainable impact on the human development of the under-served communities through initiatives in Education, Health and Livelihoods.

Towards this, GMRVF works with the communities neighboring GMR Group's businesses for their economic and social development thus supporting their development, even as the businesses grow. The thrust areas enable the Foundation to develop need-based and locale - specific response to the needs of the diverse communities it works with, rather than being project driven.

GMRVF will continue to work with communities around the Group's existing and upcoming businesses and assets in an effort to enhance the quality of their lives and livelihoods, in a manner to ensure a win-win for the communities and the corporate. The Foundation works towards improving access and quality of primary education for these communities; it works towards improving access to primary health care, sanitation and health awareness; focuses on skill training of youth and income enhancement of women through training, organization of groups and marketing support; and towards participatory development by strengthening communities and institutions.

Currently, the Foundation is working in about 190 villages/ urban communities across 22 locations including 2 in Nepal. The locations in India spread across different states namely Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu and Uttarakhand.

The Foundation will continue to develop educational facilities in under-served areas, to make quality education accessible to its target communities, especially to the most deserving, through financial and other support.

This year the Foundation has made its foray into healthcare institutions. GMR CARE Hospital, a 135-bed secondary care hospital, has already come up to provide affordable quality health care facilities in the backward district of Srikakulam in AP. This hospital will be enhanced and developed as a health care center of excellence as well as into a medical education facility.

GMRVF's vocational training institutions work towards bridging the skill gap between the employers and those who seek employment. GMRVF continuously explores the market to understand the skill requirements of the industry as well as the unemployed youth. It actively seeks partnerships with different industry leaders for providing best quality training in different market relevant skills.

While GMR Group is contributing to the development of the nation by creating physical infrastructure, GMRVF works towards becoming a responsible partner in that development through creation of social infrastructure as well as innovative models of CSR engagement.

The activities of GMRVF under its various thrust areas are given below.

Education: Foundation believes that there is a need to augment the efforts of the Government in making quality education accessible to all sections of the community and towards this end, the Foundation is

- Running an Engineering College, Degree College and Polytechnic apart from several schools in the under-served areas. 20% of the seats in all the schools are set aside for poor students from surrounding communities.
- Providing scholarships and facilitating educational loans for poor students to pursue higher education.
- Working with about 200 Government schools to improve infrastructure facilities and quality of education, reaching out to 28,000 children.

- Managing and supporting 126 Balwadis and Anganwadis across the country benefiting 3000 pre-school age children.

- Variety of innovative and locale-specific initiatives for under-privileged children- e.g., running 15 Tent schools in Bangalore for 700 children of migrant labour communities and providing school bus facility for the children at Badrinath location to make their commute to school easier from their villages on hilly terrains.

Health, Hygiene and Sanitation: With a view that health is an important dimension of well-being, GMRVF works towards better health and health lifestyles of the communities. GMRVF's has taken several initiatives, including:

- Opening of a 135-bed secondary care hospital recently inaugurated in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering quality treatment at affordable prices.

- Running about 20 medical clinics in areas where medical facilities are inaccessible to the communities-offering services to approximately 5000 people per month

- Running 4 Mobile Medical Units which take health care to the door steps of about 7000 elders every month

- Running 5 ambulances in remote areas to serve the people in emergencies-each ambulance attend about 10 emergencies a month on an average

- Promoting hygiene and sanitation by constructing 19 public toilets in different locations with about 30,000 users per month.

- Carrying out a variety of health and nutrition awareness initiatives.

Empowerment and Livelihoods: The Foundation lays a major thrust on the economic and social empowerment of women and youth and towards this end, it is

- Providing appropriate market-relevant skills to dropout youth to increase their employability through its 8 vocational training centers. About 4000 youth are trained every year through these centers and more than 80% of them are settled in wage or self-employment. Through these centers, GMRVF is not only improving the employability of youth but also serving the demand for skilled manpower in different sectors thus contributing to their growth.

- Promoting and strengthening women Self Help Groups- about 200 groups have been facilitated so far with more than 3000 members and are receiving thrift, credit, capacity building and market support from the Foundation.

- Local and external markets are explored and are linked to the women groups who are producing different craft based and other products. Shops have been set up at Rajiv Gandhi International Airport, Hyderabad and linkages made with shops at Indira Gandhi International Airport, Delhi to sell the products made by women groups. Exhibition cum sale programs are organized frequently at different national and international institutions and events that are serving as good platforms to display the products of women groups to wider sections of people. This adds to the income of the women.

Community Development: To meet the different emerging needs of the community, GMRVF takes up various community development initiatives based on the local needs of the communities. As part of these initiatives, GMRVF

- Sets up community libraries to introduce reading habits among community members and to provide opportunities for lifelong learning. 59 libraries have been set up by the Foundation so far and each library is receiving 20-30 visitors a day

- Promotes youth and children clubs and makes them involve in various community development activities- 80 youth and children's clubs with more than 1500 members are actively functioning

- Conducts number of awareness programs on various issues of significance for different sections of communities

Employee Involvement: Social Responsibility is one of the core values of GMR Group and many of the employees of GMR Group actively participate in community development initiatives. Such engagements include:

- Participating in events/ activities organized by GMRVF: in 2010-11 over 2000 employees and their family members participated in about 400 programs, contributing more than 5000 hours of their time.

- Donating money: GMR staff contributes to special drives for raising money for specific initiatives like supporting education of poor children, or contribute through ongoing options like pay roll deductions- About Rs 22 lakhs has been contributed by the employees in the year 2010-11 towards GMRVF initiatives.

- Groups of employees take Group Chairman's Social Entrepreneurship Projects (GCM SEF) of 3 months duration- an innovative opportunity created by GMRVF for the employees to take up any social project of their choice- 37 projects have been completed so far by 350 employees benefiting about 5000 under-privileged.

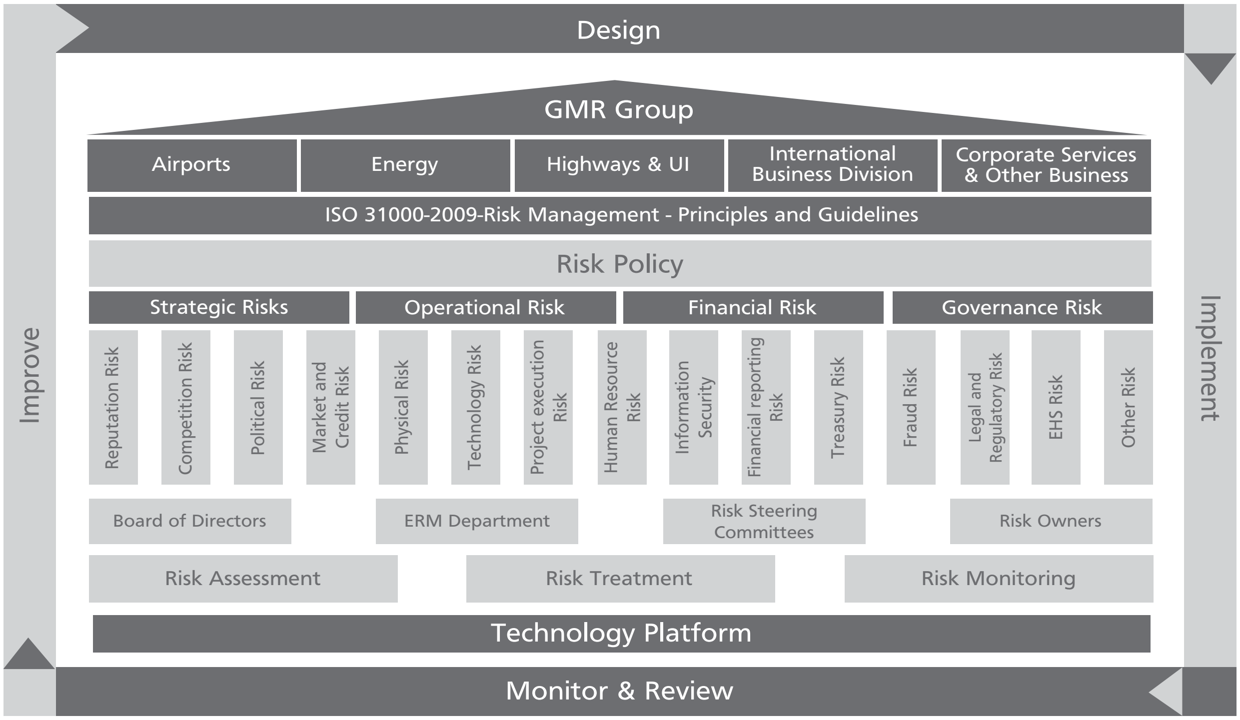
Risk and Concerns

Our strategic focus on the Infrastructure sector and the high growth trajectory exposes the company to a variety of risks. Our Enterprise Risk Management (ERM) philosophy is to integrate the process for managing risk across the organization and throughout its business and lifecycle to enable protection and enhancement of stakeholder value and ensure an institution in perpetuity.

The company's aim is to ensure that we proactively understand, measure and monitor the various risks and develop and implement appropriate risk treatment plans to deal with them by establishing a suitable balance between harnessing opportunities and containing risks.

The company seeks to continuously improve its ERM processes, and has revised its ERM Framework to align itself with the "ISO 31000:2009 - Risk Management Principles and Guidelines standard".

The company's ERM Framework is as depicted in the diagram below:



Process Maturity: The Company has well-defined processes for risk identification, risk assessment, risk profiling, treatment and risk monitoring & review actions thereof. During the year, the Enterprise Risk Management process has been rolled out with development of risk registers for Sector / Key Business Units / Corporate functions. The risks for each Sector and Group Corporate Services have been arrived at through aggregation / consolidation of the risks for business units for each Sector / Corporate functions. Subsequently prioritization of the risks for each sector has been undertaken through workshops with the Sector / Business Steering Committees, wherein top risks for the Sector and Group Corporate Services have been identified. The risks are being profiled and treatment plans are being developed. Top risks for the Sectors and Group Corporate Services have been aggregated at the Group level and debated in detail at the Workshop meeting of the Group Holding Board held in February 2011.

A formal risk escalation mechanism has also been put in place that ensures all identified critical risks are reported to the next level of Management on a regular basis to approve the proposed treatment plans and also to enable continuous monitoring & review.

During the year, the ERM team in conjunction with the Project teams has conducted Risk analysis for most of the bids / opportunities that have come up. A separate Bid Risk Framework has been developed for different Sectors / Businesses which is being used for assessment of risks at bids / opportunity level. These endeavours ensure risk-informed decision making, throughout the entire Value Chain (i.e. Bid – Project – Asset) of your Company's Business.

Risk Awareness: The Enterprise Risk Management Team seeks to enhance the awareness of risk management through conducting regular risk awareness training and risk management workshops across the sectors, publishing quarterly risk newsletters and circulating relevant articles.

Linkages: The top risks identified through the ERM process serves as a critical input for the Company's Strategic Planning / Annual Operating planning exercise. ERM team shares the results of its exercise with its Management Assurance Group to enable it to draw plans for risk-based audit.

Reporting: The ERM Team regularly presents the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process to the Management and the Audit Committee of the Board.

Business Resilience: In order to build resilience in the Group and deal with eventualities, the ERM Team is actively working to draw up the Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP) Plans for key locations / assets. During the year, the ERM Team has significantly progressed on the Disaster Recovery Planning (DRP) exercise for identifying high impact events for our key locations and putting in place appropriate risk treatment plans to avoid / reduce the impact.

Macroeconomic Risk factors:

The contribution from our projects in India to our overall revenue will continue to be high as compared to our international projects and hence, macroeconomic factors in India will have a significant impact on our operating performance. Revenue from our airport projects, merchant sale of electricity and our toll road projects are exposed to the changes in the economic environment and market demand.

Fuel availability risks: The potential non-availability of natural gas could adversely affect plant operations and hence profitability at our operating / upcoming gas based power plants. Moving forward, coal-based projects and hydro-electric projects will diversify our fuel mix thereby reducing our exposure to single source of fuel.

Project development, acquisition and management: Our growth plans involve significant investments in a number of projects over the next several years. Our financial condition and earnings could be adversely affected if we are unable to win them at competitive prices and complete them within time & cost budgets. This risk is addressed by improving our processes for risk-informed decision making at bidding stage, skills development, IT enablement of project monitoring and management and highly developed procurement process and partner management.

Ability to finance projects at competitive rates: Infrastructure projects are typically capital intensive and may require high levels of finance in a mix of debt and equity. Several of our under construction projects have achieved financial closure and we believe that, with the continued growth of our businesses and reputation in the Infrastructure sector, we will be able to finance our projects through internal accruals and obtain debt financing on competitive terms.

Credit Risk: Our increasing exposure on merchant sale of electricity to private sector customers will expose us to credit risk of default in payments. We have developed models to check and regularly monitor the credit-worthiness of our customers.

Interest Rate Risk: The debts relating to our projects are subject to fluctuations in interest rates. Any increase in interest rate may adversely affect our profitability. We have also entered into Interest Rate Swap agreements for some of our Foreign Currency Term Loans to adequately hedge the interest rate risk.

Foreign Currency Exchange Rate Risk: We are exposed to the vagaries of exchange rate risk as we have significant expenditure in foreign currencies for procurement of project equipment, but a majority of revenues are in Indian Rupees (though, airports and other international assets earn foreign currency).

Input Costs Risk: We will be directly exposed to the variation in price of input materials and allied costs, though the Company has sought to bring in-house an increasing portion of the construction works associated with our present and future projects under development. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials could severely impact the Company's profitability to the extent that the same are not absorbed by the market through price increases

Regulatory Risk: Like all other private operators, our Airports business is exposed to regulatory risks which would affect the revenue model assumed and we plan to address the same expeditiously through concerted measures.

Internal control systems and their adequacy

The Company has in place adequate systems of internal control. It has documented procedures covering all financial,operating and management functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best practices in these areas as well. All these controls and processes have been embedded and integrated with SAP system which has been implemented across all Group Companies. During the year, the Group has also initiated proactive fraud risk preventive framework. Some significant features of the internal control systems include the following:

- Delegation of power and responsibility matrix with authority limits defined for incurring capital and revenue expenditure;
- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long-term business plans;
- Preparation and monitoring of annual budgets for all operating activities, projects and service functions;
- A well-established multi-disciplinary internal audit team, which review and report to the management and the Audit Committee about the compliance to internal controls, corporate governance, statutory compliance efficiency and effectiveness of operations, key process risks, and information integrity & security;
- Proactive fraud risk preventive framework has been established;
- Formation of Ethics and Intelligence Group to ensure the Governance process;
- Audit Committees of the Boards of Directors regularly reviews the audit plans, significant audit findings, compliance to suggested audit recommendations adequacy of internal controls, compliance to Accounting Standards as well as reasons for changes in accounting policies and practices, if any;
- Regular audits are being carried out for all operations ,IT systems including projects and international entities;
- Audit of HR & FMS systems carried out across Group levels;
- Bid documents/records of all new projects including M & A deals are being critically reviewed for probable risks;
- Effective project management audits are being carried out;
- Safety and security including environment related controls are continuously reviewed for operational effectiveness and efficiency;
- Strict compliance to all regulations and corporate governance issues;
- Documentation of major business processes, including financial closing, computer controls;
- Entity-level controls and testing of key controls as a part of compliance to applicable rules and regulations;
- Identifying and mitigating key business risks through an Enterprise Risk Management programme.

Developments in Human Resources and Organisation Development at GMR Group

" Do not follow where the path may lead. Go instead where there is no path and leave a trail."

Ralph Waldo Emerson

Creating teams of competent and committed people across all businesses, functions and levels – this has been the prime focus of People and Organization building efforts at GMR Group for the last two years.

The Talent Review process has been running seamlessly for the second successive year now. This process has enabled structured succession planning for key leadership positions and creation of a talent pipeline for the future. The outcome of Talent Review has led to focused investment in identification and development of future leaders.

The major decisions taken during the last year's Talent Review was implemented, especially in terms of talent movement / job enlargement / job enrichment at senior management level. Similarly, actions were implemented as identified in the Comprehensive Individual Development Plan of all the employees who went through the Talent Review process during last year.

The Multi tier Leadership Development Programme focusing on developing a robust leadership pipeline was successfully rolled out last year.

The Individual Development Plans (IDPs) of the Senior Leadership Team (SLT) members who went through an intensive Individual Development Centre and a 360 degree feedback process was finalized and rolled out. Based on the areas of strength and development, the identified unique action plans for each individual were implemented, major being Executive Coaching support.

The first cycle of Leadership Development Programs (LDP) concluded in Mar 2011, thereby creating to our internal pipeline of in-house leaders for the future. To gauge the effectiveness of the program, tools such as the Multi Stakeholder feedback were used along with panel assessment for the projects. The Talent Management Team is all set to launch the second cycle of LDP

Future leaders identified in the middle management band are being developed through the NextGen Leadership Development program. Four batches of NextGen Leaders have completed their development cycles, and the next wave of NextGen will be launched shortly. CSR, Spiritualism and Coaching have been made an integral part of this program along with a project assessment for the next generation of managers

Two new programs have been launched to address Operational excellence at the entry level – Staff Training and Enhancement program (STEP) for the support staff and Young Generation program for the junior managers. Both the programs have been developed in-house. The program focuses at building technical competencies at this level.

Being a core Infrastructure developer with multinational presence, and an organization with a passion to build world class assets, we had realized the importance of technical and functional expertise and had formed a special high level team with exclusive focus on building capability in the areas of Commercial & Contracts, Engineering, Procurement, Construction, Operations and Maintenance (CEPCOM).

The existing Technical Competency Dictionary was updated covering all businesses, functions and levels, followed by competency mapping and assessment for most of the sectors. Going ahead, all the sectors will be taking up competency assessment on regular basis, and then technical training programmes would be designed and delivered to address measured competency gaps. We believe that such competency based HR practices are key to continuous development of the talent pipeline.

In line with our approach to making the annual Performance Management Process (PMP) more objective and metric driven, we are strengthening the process of goal setting through Policy Deployment Matrix (PDM) with a simple but effective review mechanism. PDM allows alignment of business goals, engagement of teams and focuses on actions required to achieve targets. PDM will be used to develop Balance Score Cards (BSCs) for BCMs, CEOs and all direct reportees of CEOs across the Group. This has already been initiated in GHIAL, EPC and GCS and a plan has been evolved to integrate PDM with PMP across all businesses and Corporate Services phased over the next 12-18 months.

Internal communication is key to sustaining vibrancy and organizational health. Throughout the year, Town Hall meetings were conducted across the Group, where Group Holding Board (GHB) members and CEOs shared the Group's plans with employees and answered several queries. The Skip Level Meetings, a formal forum for employees to share specific views and opinions about the work environment to their skip level manager were also conducted across the group. The results of the Employee Engagement Survey were shared across the organization and the Managers have worked out action plans based on their score cards.

A number of team building and alignment exercises in the form of offsite workshops and Out Bound Training (OBT) programmes were conducted throughout the year. These programmes also help in integration of new comers into the GMR culture through understanding and alignment of our core values and beliefs.

As we look back, we see several building blocks of People and Organization capability development being put in place. Looking ahead, our focus and priority next year would be to stabilize these processes and driving these towards excellence for maximum business impact.

Auditors' Report on the Consolidated Financial Statements of GMR Infrastructure Limited

To

The Members of GMR Infrastructure Limited

1. We have audited the attached consolidated balance sheet of GMR Infrastructure Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate companies [collectively hereinafter referred to as 'the Group' and individually as 'components' (refer Note 2 on Schedule 19 to the attached consolidated financial statements)] as at March 31, 2011, the related consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto ('consolidated financial statements'), which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been approved by the board of directors of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

3. a. The financial statements and other financial information of 2 subsidiaries, whose financial statements reflect total assets of Rs. 15,438.24 Crore as at March 31, 2011, total revenue (including other income) of Rs.1,201.62 Crore, total loss of Rs. 346.22 Crore and net cash inflows amounting to Rs. 144.63 Crore for the year then ended (before adjustments on consolidation) have been audited jointly along with other auditors.

   b. We did not audit the financial statements and other financial information of (i) 106 subsidiaries (including 10 subsidiaries consolidated for the period July 12, 2010 to December 31, 2010) whose financial statements reflect total assets of Rs. 23,309 Crore as at March 31, 2011, total revenue (including other income) of Rs. 2,761.04 Crore, total profits of Rs. 192.36 Crore and net cash inflows amounting to Rs. 1,411.39 Crore for the year then ended (before adjustments on consolidation); and (ii) 13 jointly controlled entities (including 2 jointly controlled entities consolidated for the period July 12, 2010 to December 31, 2010) whose financial statements include the Group's share of total assets of Rs. 1,701.59 Crore as at March 31, 2011, total revenue (including other income) of Rs. 827.97 Crore, total loss of Rs. 62.84 Crore and net cash ouflows amounting to Rs. 20.74 Crore for the year then ended (before adjustments on consolidation). These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion on the consolidated financial statements, is based solely on the report of such other auditors.

   c. We did not audit the financial statements and other financial information of (i) 3 subsidiaries whose financial statements reflect total assets of Rs. 5.25 Crore as at March 31, 2011, total revenue (including other income) of Rs. Nil, total loss of Rs. 3.23 Crore and net cash inflows amounting to Rs. 1.96 Crore for the year then ended (before adjustments on consolidation); and (ii) 4 jointly controlled entities whose financial statements include the Group's share of total assets of Rs. 69.07 Crore as at March 31, 2011, total revenue (including other income) of Rs. 56.65 Crore, total profits of Rs. 14.62 Crore and net cash inflows amounting to Rs. 16.74 Crore for the year then ended (before adjustments on consolidation). These financial statements and other financial information have been incorporated in the consolidated financial statements of the Group based on un-audited financial statements as provided by the management of the Company as audited financial statements of such component entities as at and for the year/ period ended March 31, 2011 are not available.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and AS 27 - Financial Reporting of Interests in Joint Ventures, notified under sub-section (3C) of Section 211 of the Companies Act, 1956 of India.

5. Without qualifying our opinion, we draw attention to Note 19 (4)(ix)(f) to the consolidated financial statements for the year ended March 31, 2011 in connection with carrying value of net assets (after providing for losses till date of Rs.81.80 Crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on management's internal assessment and legal opinion obtained by the management of GACEPL, the management is of the view that the carrying value of the net assets (after providing for losses till date) as regards investment in GACEPL is appropriate.

6. Based on our audit, consideration of reports of other auditors and certification by management on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a. in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2011;

   b. in the case of the consolidated profit and loss account, of the loss of the Group for the year ended on that date; and

   c. in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No.:35141

Place: Bengaluru
Date: May 30, 2011

Consolidated Balance Sheet as at March 31, 2011

(Rs. in crore)

Particulars	Schedule Ref	March 31, 2011		March 31, 2010	
Sources of Funds					
Shareholders' Funds					
Share capital	1	389.24		366.74	
Reserves and surplus	2	7,343.07	7,732.31	6,300.32	6,667.06
Employee stock options outstanding	2a		1.13		-
Preference shares issued by subsidiary companies	19(4)(iv)		1,814.89		200.00
Minority Interest			1,998.10		1,790.15
Loan Funds					
Secured loans	3	18,910.69		16,229.40	
Unsecured loans	4	5,318.89	24,229.58	4,607.95	20,837.35
Deferred payment liability - Negative grant/ Utilisation fees	19(4)(vii)		227.86		333.92
Total			36,003.87		29,828.48
Application of Funds					
Fixed Assets					
Gross block	5	24,370.23		14,889.64	
Less: Accumulated depreciation/amortisation		3,150.27		2,341.58	
Net block		21,219.96		12,548.06	
Capital work in progress including capital advances	6	9,489.81	30,709.77	10,382.87	22,930.93
Investments	7		2,974.14		4,641.05
Deferred Tax Asset (Net)	19(4)(xv)		151.42		80.47
Foreign Currency Monetary Item Translation Difference Account	19(4)(vi)(b)		7.38		0.53
Current Assets, Loans and Advances					
Inventories	8	184.58		115.92	
Sundry debtors	9	1,319.92		864.93	
Cash and bank balances	10	3,373.21		1,682.62	
Other current assets	11	762.78		161.65	
Loans and advances	12	1,851.63		1,315.63	
		7,492.12		4,140.75	
Less: Current Liabilities and Provisions	13				
Current Liabilities		5,161.72		1,577.49	
Provisions		228.05		387.76	
		5,389.77		1,965.25	
Net Current Assets			2,102.35		2,175.50
Profit and Loss Account (Debit balance)			58.81		-
Total			36,003.87		29,828.48
Statement on Significant Accounting Policies and Notes to the Consolidated Accounts	19				

The schedules referred to above form an integral part of the Consolidated Balance Sheet.
As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 30, 2011

Place: Bengaluru
Date: May 30, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

(Rs. in crore)

Particulars	Schedule Ref	March 31, 2011	March 31, 2010
Income			
Sales and operating income	14	6,425.04	5,123.42
Less: Revenue share paid/ payable to concessionaire grantors		651.26	556.91
		5,773.78	4,566.51
Other income	15	311.30	291.34
Net Income		6,085.08	4,857.85
Expenditure			
Generation and operating expenses	16	3,407.35	2,576.59
Administration and other expenses	17	810.94	625.61
Interest and finance charges	18	1,230.06	850.28
Depreciation/ amortisation [Refer note (4)(vii)(b) of schedule 19]	5	860.92	612.24
Exceptional items			
a. Provision for dimunition of investment	19(4)(x)(e)	938.91	-
b. Amounts written off in earlier years written back	19(4)(x)(i)	(140.33)	-
		7,107.85	4,664.72
(Loss)/Profit before Taxation, Minority Interest and Share of profits/ (losses) of Associates		(1,022.77)	193.13
Provision for taxation			
- Current tax [includes tax adjustments relating to earlier years of Rs. 0.10 crore (2010: Rs. 5.29 crore)]		114.04	73.62
Less: MAT credit entitlement		(16.34)	(7.27)
- Deferred tax credit	19(4)(xv)	(73.80)	(98.56)
(Loss)/Profit after Taxation and before Minority Interest and Share of profits/ (losses) of Associates		(1,046.67)	225.34
Share of losses of associates (net)		(3.46)	(21.58)
Minority interest - share of (profits)/ losses		120.49	(45.36)
Net (Loss)/Profit after Minority Interest and Share of profits/ (losses) of Associates		(929.64)	158.40
Surplus brought forward		914.12	778.36
(Loss)/Profit available for appropriation		(15.52)	936.76
Appropriations:			
Transfer from debenture redemption reserve		31.47	16.25
Transfer to debenture redemption reserve		(45.83)	(24.41)
Transfer of profits to minority on dilution of interest in subsidiaries		(8.16)	(12.68)
Preference dividend declared by a subsidiary		(6.24)	(1.39)
Dividend distribution tax		(4.53)	(0.41)
Transferred to capital redemption reserve on redemption of preference shares by a subsidiary		(10.00)	-
Available (Deficit)/Surplus carried to Balance Sheet		(58.81)	914.12
Earnings per share (Rs.) - Basic and Diluted [Per equity share of Re.1 each]	19(4)(xiv)	(2.40)	0.43
Statement on Significant Accounting Policies and Notes to the Consolidated Accounts	19		

The schedules referred to above form an integral part of the Consolidated Balance Sheet.
As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 30, 2011

Place: Bengaluru
Date: May 30, 2011

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

(Rs. in crore)

Schedule 1 | SHARE CAPITAL	March 31, 2011	March 31, 2010
Authorised		
7,500,000,000 (2010: 7,500,000,000) equity shares of Re. 1 each	750.00	750.00
	750.00	750.00
Issued, Subscribed and Paid up		
3,892,434,782 (2010: 3,667,354,392) equity shares of Re. 1 each fully paid	389.24	366.74
Notes: Of the above, (i) 1,057,747,230 (2010: 1,057,747,230) equity shares of Re. 1 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the Company. (ii) 2,726,840,000 (2010: 2,725,850,824) equity shares of Re. 1 each fully paid-up are held by the Holding Company, GMR Holdings Private Limited. (iii) During the year ended March 31, 2010, 46,800,000 equity shares of Rs. 10 each of Delhi International Airport Private Limited ('DIAL') were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 1,497,197,420 which was discharged by allotment of 26,038,216 equity shares of GMR Infrastructure Limited ('GIL' or 'the Company') of Re. 1 each at issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium).		
	389.24	366.74
Less: Calls unpaid - others [Rs. 2,250 (2010: Rs. 2,750)]	0.00	0.00
Total	389.24	366.74
Notes: (i) Refer Note 4(iii)(a) of schedule 19 for details of additional issue of shares during the year ended March 31, 2011 to Qualified Institutional Buyers for consideration in cash. (ii) Refer Note 4(iii)(b) of schedule 19 for details on sub division of one equity share of the Company carrying face value of Rs. 2 each into 2 equity shares of Re. 1 each during the year ended March 31, 2010.		

(Rs. in crore)

Schedule 2 | RESERVES AND SURPLUS	March 31, 2011	March 31, 2010
Capital Reserve on Consolidation		
As at the commencement of the year	113.34	70.47
Add: Additions for the year	2.51	42.87
[Refer Note 4(v)(b) of Schedule 19]	115.85	113.34
Capital Reserve on Acquisition	3.41	3.41
[Refer Note 4(v)(c) of Schedule 19]		
Capital Reserve (Government Grant)	92.94	67.41
[Refer Note 4(v)(a) of Schedule 19]		
Capital Redemption Reserve		
As at the commencement of the year	-	-
Add: Additions for the year	10.00	-
[Refer Note 4(iv)(a) of Schedule 19]	10.00	-
Securities Premium Account		
At the commencement of the year	5,168.30	5,070.80
Add: Received towards allotment of equity/ preference shares	2,042.08	309.10
Add: Write back during the year [Refer Note 4(v)(d) of Schedule 19]	33.80	-
Less: Transferred to capital reserve	-	42.87
Less: Utilised towards debenture/ share issue expenses/ redemption premium	211.44	168.33

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

(Rs. in crore)

Schedule 2 | RESERVES AND SURPLUS	March 31, 2011	March 31, 2010
Less: Transferred to minority interest	20.30	0.40
Add: Received against calls unpaid [2011: Rs. 6,950 (2010: Rs. Nil)]	0.00	-
	7,012.44	5,168.30
Debenture Redemption Reserve		
At the commencement of the year	35.07	26.91
Less: Transfer to Profit and Loss Account on redemption	31.81	16.25
Add: Transfer from Profit and Loss Account	45.83	24.41
	49.09	35.07
Foreign Currency Translation Reserve	(1.33)	89.64
Add: Movement during the year	60.67	(90.97)
	59.34	(1.33)
Balance in Profit and Loss Account	-	914.12
Total	7,343.07	6,300.32

(Rs. in crore)

Schedule 2a | STOCK OPTIONS OUTSTANDING	March 31, 2011	March 31, 2010
Employee Stock options outstanding	1.13	-
Less : Deferred Employee compensation outstanding	-	-
Total	1.13	-

(Rs. in crore)

Schedule 3 | SECURED LOANS	March 31, 2011	March 31, 2010
(i) Nil (2010: 4,250) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	-	425.00
(These debentures were repaid during the year ended March 31, 2011.)		
(The debentures were secured by a subservient charge on all the movable assets of the GMR Energy Limited ('GEL') both present and future. Additionally secured by a subservient charge by way of equitable mortgage by constructive delivery of title deeds of the GEL's immovable properties.)		
(ii) 6,090 (2010: 6,500) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	609.00	650.00
[These debentures bear an interest of 9.38% per annum and are secured by way of pari passu first charge over GMR Pochanpalli Expressways Limited's ('GPEL') movable properties, both present and future, including plant and machinery. Further, it is secured by the rights, title, interest, benefit, claims, of GPEL in respect of the project agreements executed/ to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GPEL in respect of monies lying to the credit of trust and retention account and other accounts. These debentures are redeemable half yearly in 34 unequal installments starting from April 15, 2010 to October 15, 2026.]		
Term Loans		
Rupee Loans		
From financial institutions	3,543.00	2,742.44
From banks	9,357.33	8,377.00
From others	-	35.00
Interest accrued and due on term loans from banks	2.07	-
Foreign Currency Loans		
From financial institutions	61.74	68.37
From banks	3,855.42	3,616.61
Suppliers' Credit	92.99	107.31

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

(Rs. in crore)

Schedule 3 | SECURED LOANS	March 31, 2011	March 31, 2010
Out of the above:		
a. Rupee term loans from financial institutions amounting to Rs. 1,275.00 crore (2010: Rs. 1,275.00 crore) are secured by pledge of 189,978,027 (2010: 160,546,832) equity shares of Re. 1 each fully paid-up of GIL, held by GMR Holdings Private Limited ('GHPL' or 'the holding company') and by way of guarantee issued by GHPL, of which Rs. 1,000 crore (2010: Rs. 1,000 crore) is further, secured by exclusive charge on barge mounted power plant of GEL.		
b. Rupee term loans of subsidiary companies under roads segment amounting to Rs. 2,466.79 crore (2010: Rs. 1,835.02 crore) are secured by way of pari passu first charge over the respective company's moveable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of the respective companies in respect of the project agreements executed/ to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of the respective companies in respect of monies lying to the credit of trust and retention account and other accounts. These loans are further secured by pledge of 1,323,267,781 (2010: 142,467,781) equity shares of the respective subsidiary companies held by their respective holding companies.		
c. Rupee term loan from financial institution amounting to Rs. Nil (2010: Rs. 70.20 crore) taken by GMR Power Corporation Limited ('GPCL') were secured by way of equitable mortgage by deposit of the title deeds of the leasehold land of GPCL and were also secured by charge on all building, structures and plant and machinery including movable plant and machinery, spares and tolls, cashflows, receivables, book debts, intangible, goodwill, uncalled capital and rights, title under project documents, clearance/ permits, insurance contracts, proceeds and pledge of Nil (2010: 99,000,000) equity shares of GPCL held by GEL.		
d. Rupee and Foreign currency term loan amounting to Rs. 163.75 crore (2010: Rs. 793.06 crore) taken by GMR Vemagiri Power Generation Limited ('GVPGL') is secured by way of pari passu first charge over land, GVPGL's moveable and other assets, both present and future. Further secured by the right, title, interest, benefits, claims and demands of GVPGL in respect of the project agreements, executed/ to be executed, insurance policies both present and future and all right, title, interest, benefits, claims and demands of the Company in respect of monies lying to the credit of trust and retention account and other accounts. Further secured by way of pledge of 141,015,000 (2010: 141,015,000) equity shares of GVPGL held by GEL.		
e. Rupee term loan amounting to Rs. 2,540.71 crore (2010: Rs. 500.00 crore) taken by certain subsidiary companies under power segment are secured by way of pari passu first charge over subsidiary companies moveable and other assets, both present and future. Further secured by the right, title, interest, benefits, claims and demands of those subsidiary companies in respect of the project agreements, executed/ to be executed, insurance policies both present and future and all right, title, interest, benefits, claims and demands of the subsidiary companies in respect of monies lying to the credit of trust and retention account and other accounts. Further secured by way of pledge of 563,617,759 (2010: Nil) equity shares of these subsidiary companies held by GEL.		
f. Foreign currency term loan from banks amounting to Rs. 181.65 crore (2010: Rs. 182.32 crore) of GMR Energy (Netherlands) B.V. ('GENBV') is secured by pledge of shares held in the subsidiary company by GENBV. Further the facility is additionally secured by corporate guarantee of GEL.		
g. Rupee term loan from banks amounting to Rs. 36.05 crore (2010: Rs. 40.53 crore) relating to GEL is secured by equitable mortgage on the property of GEL. Further secured by the corporate guarantee of GEL.		

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

(Rs. in crore)

Schedule 3 | SECURED LOANS	March 31, 2011	March 31, 2010
h. Term loans of companies under airport segment amounting to Rs. 7,535.72 crore (2010: Rs. 7,058.90 crore) are secured by mortgage of Leasehold right, title, interest and benefit in respect of leasehold land and first charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention Account and Debt Service Reserve Account. Further secured by the pledge of equity shares of such subsidiaries held by the shareholders of respective companies.		
i. Rupee term loans from banks of DIAL amounting to Rs. 828.63 crore (2010: Rs. 1,386.44 crore) are secured against Development Funds Receipts.		
j. Foreign currency loans from banks amounting to Rs.755.28 crore (2010: Rs. 775.24 crore) relating to Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi ('ISG') are secured against present and future receivables, rights, income, claims, interest, benefits, in to and under its receivables and all kinds of receivables arising out of or in connection with other agreements. Further secured by pledge of shares of ISG held by GIL and one of its subsidiary company.		
k. Foreign currency loans from banks amounting to Rs. 40.32 crore (2010: Rs. 41.78 crore) relating to LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM') are secured by corporate guarantee given by the Company and further secured by pledge of shares of LGM held by its holding companies.		
l. Rupee term loans from banks of companies under airport segment amounting to Rs. 146.32 crore (2010: Rs. 137.45 crore) are secured by way of an exclusive first charge on cash flows through escrow account.		
m. Term loans of subsidiaries under others segment amounting to Rs. 131.98 crore (2010: Rs. 281.92 crore) are secured by way of hypothecation of aircraft and guarantees issued by GIL.		
n. Foreign currency loans from banks amounting to Rs. 345.32 crore (2010: Rs. 328.87 crore) relating to GMR Infrastructure (Mauritius) Limited is secured by way of pledge of 69,148,900 (2010: 69,148,900) shares of GMR Infrastructure (Singapore) Pte. Limited and further secured by way of corporate guarantee given by the Company.		
o. Term loans of subsidiaries under others segment amounting to Rs. 465.00 crore (2010: Rs. Nil) are secured by way of equitable mortgage of the entire moveable and immoveable properties held by GMR Kakinada SEZ Private Limited by way of depositing title deeds, both present and future.		
p. Rupee term loans from financials institutions amounting to Rs. Nil (2010: Rs. 240.00 crore) are secured by an exclusive pledge of mutual funds units of equivalent amount and a demand promissory note.		
Short Term Loans		
Cash Credit, Demand Loans and Working Capital Loans from Banks	209.34	39.61
Out of the above:		
a. Short term loans of subsidiary companies under airport segment amounting to Rs. 35.36 crore (2010: Rs. 26.55 crore) are secured by way of first pari passu charge by way of hypothecation of the stocks, consumable stores and spares, other movables including book debts, bills, outstanding monies receivable, both present and future and whole of the moveable properties including moveable plant and machinery, machinery spares, tools and accessories, whether stored or not or in the course of transit or on high seas or on order of delivery, but not limited to documents of title to goods.		
b. Short term loans of GPCL amounting to Rs. Nil (2010: Rs. 9.97 crore) are secured by hypothecation of stocks and book debt, both present and future, and further secured by creation of a joint mortgage by deposit of title deeds in respect of immovable properties together with all plant and machinery attached to the earth.		

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

(Rs. in crore)

Schedule 3 | SECURED LOANS	March 31, 2011	March 31, 2010
c. Short term loans of subsidiary companies under others segment amounting to Rs. 3.02 crore (2010: Rs. 3.09 crore) are secured by way of hypothecation of aircraft, charge over receivables and guarantee issued by GIL.		
d. Short term loans of Rs. 170.95 crore (2010: Rs. Nil) relating to ISG are secured against present and future receivables, rights, income, claims, interest, benefits, in to and under its receivables and all kinds of receivables arising out of or in connection with other agreements. Further secured by pledge of shares of ISG held by GIL and one of its subsidiary company.		
Bills Discounted	1,076.85	164.86
[Bills discounted by subsidiaries under power segment amounting to Rs. 1,076.85 crore (2010: Rs. 164.86 crore) are secured against letters of credit issued by various banks.]		
Finance Lease Obligation	1.88	3.20
[Secured by underlying assets taken on finance lease arrangement.]		
Bank Overdraft	101.07	-
[Bank Overdraft amounting to Rs. 101.07 crore (2010: Rs. Nil) secured by first charge on current assets of EPC division of GIL.]		
Total	18,910.69	16,229.40

(Rs. in crore)

Schedule 4 | UNSECURED LOANS	March 31, 2011	March 31, 2010
Short Term		
From banks	2,257.46	2,090.97
From Others	137.87	-
Other than Short Term		
From Government of Andhra Pradesh (interest free)	315.05	315.05
[Repayable within 1 year Rs. Nil (2010: Rs. Nil)]		
From financial institutions	-	52.00
[Repayable within 1 year Rs. Nil (2010: Rs. Nil)]		
From others	27.71	27.40
[Repayable within 1 year Rs. 0.10 crore (2010: Rs. 0.10 crore)]		
Debentures	500.00	500.00
[These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011]		
[Repayable within 1 year Rs. 75.00 Crore (2010: Rs. Nil)]		
Deferred obligation - Deposit from Concessionaires	1,964.19	1,526.79
Deferred obligation - Concession fee payable	55.61	34.74
[Repayable within 1 year Rs. Nil (2010: Rs. Nil)]		
Suppliers' credit	61.00	61.00
[Repayable within 1 year Rs. Nil (2010: Rs. Nil)]		
(Represents an interest free suppliers' credit from Larsen and Toubro Limited and is repayable in a single installment on December 31, 2018. The rights, benefits and obligations under this suppliers' are presently assigned to Grandhi Enterprises Private Limited, a fellow subsidiary ('assignee'), on terms accepted by GVPGL. The assignee on acceptance by GVPGL may convert the above facility in to fully convertible debentures at par to be issued by GVPGL.)		
Total	5,318.89	4,607.95

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

(Rs. in crore)

Schedule 5 | FIXED ASSETS

Description	Gross Block						Depreciation					Net Block	
	As at April 01, 2010	Additions	Additions on inclusion of subsidiaries/ joint ventures	Development fund (refer note 2 (f) below)	Withdrawals/ adjustments	As at March 31, 2011	As at April 01, 2010	For the year	On account of inclusion of subsidiaries/ joint ventures	On withdrawals/ adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets													
Freehold land	146.66	58.56	-	-	-	205.22	-	-	-	-	-	205.22	146.66
Leasehold land	73.15	12.65	4.68	-	0.21	90.27	-	-	-	-	-	90.27	73.15
Runways and others	1,581.38	500.56	-	70.14	1.26	2,010.54	86.99	66.28	-	-	153.27	1,857.27	1,494.39
Buildings	3,331.48	5,812.49	3.17	1,105.54	(19.31)	8,060.91	209.49	207.14	0.29	(2.43)	419.35	7,641.56	3,121.99
Plant and machinery	3,621.49	4,035.35	137.17	621.05	9.19	7,163.77	1,472.54	259.30	9.80	0.06	1,741.58	5,422.19	2,148.95
Office equipment	563.71	34.11	1.88	0.01	2.69	597.00	115.89	58.28	1.07	0.37	174.87	422.13	447.82
Leasehold improvements	128.19	25.35	1.21	-	-	154.75	5.53	4.70	0.84	-	11.07	143.68	122.66
Furniture and fixtures	139.81	157.95	0.10	20.22	6.50	271.14	27.27	19.13	0.06	1.57	44.89	226.25	112.54
Vehicles including aircrafts	451.32	58.44	1.39	-	81.85	429.30	43.73	24.69	0.51	8.02	60.91	368.39	407.59
Intangible Assets													
Goodwill on consolidation	841.43	83.61	-	-	(12.30)	937.34	-	-	-	-	-	937.34	841.43
Capitalised software	28.07	3.15	-	-	-	31.22	9.42	4.91	-	-	14.33	16.89	18.65
Carriage ways	3,517.13	0.58	-	-	-	3,517.71	347.81	141.23	-	-	489.04	3,028.67	3,169.32
Airport concessionaire rights	457.91	444.08	-	-	8.84	893.15	19.35	16.36	-	0.03	35.68	857.47	438.56
Sub Total	14,881.73	11,226.88	149.60	1,816.96	78.93	24,362.32	2,338.02	802.02	12.57	7.62	3,144.99	21,217.33	12,543.71
Assets Taken on Lease													
Office equipment	5.39	-	-		-	5.39	3.06	1.47	-	-	4.53	0.86	2.33
Vehicles	0.06	-	-		-	0.06	-	-	-	-	-	0.06	0.06
Plant and machinery	2.46	-	-		-	2.46	0.50	0.25	-	-	0.75	1.71	1.96
Sub Total	7.91	-	-	-	-	7.91	3.56	1.72	-	-	5.28	2.63	4.35
Grand Total	14,889.64	11,226.88	149.60	1,816.96	78.93	24,370.23	2,341.58	803.74	12.57	7.62	3,150.27	21,219.97	12,548.06
Previous year	11,432.60	3,730.18	28.33	-	301.47	14,889.64	1,780.97	567.39	0.02	6.80	2,341.58	12,548.06	

Notes:

1. Buildings with a gross book value of Rs. 6,562.53 crore (2010 : Rs. 2,142.66 crore) and runways are on leasehold land.
2. Gross block withdrawals/ adjustments include:
   a. Foreign exchange loss of Rs. 32.32 crore (2010 : Gain of Rs. 120.87 crore) on account of the effect of translation of assets held by foreign subsidiaries which are consolidated as non integral foreign operations as per the requirements of Accounting Standard 11.
   b. Foreign exchange gain of Rs.16.13 crore (2010 : Rs. 22.25 crore) on account of the effect of translation of goodwill arising out of consolidation of foreign subsidiaries which are consolidated as non integral foreign operations as per the requirements of Accounting Standard 11.
   c. Rs. Nil (2010: Rs. 69.09 crore) on account of refund of custom duty granted to GVPGL on import of plant and machinery.
   d. Rs. 9.90 crore (2010: Rs. Nil) on account of cancellation of duty drawback refund order received by GVPGL in 2009-10, which was previously adjusted against the cost of fixed assets.
   e. Foreign exchange gain of Rs. 23.67 crore (2010 : Rs. 90.12 crore) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets. Refer Note 19(4)(i)(c).
   f. Development fund of Rs. 1,816.96 crore (2010: Rs. Nil) received towards development of aeronautical assets, is reduced from the gross block. Refer Note 19(3)(iv)
3. Depreciation for the year includes Rs. 1.15 crore (2010 : Rs. 9.32 crore) relating to certain consolidated entities in the project stage which is included in Schedule 6.
4. Depreciation for the year ended March 31, 2010 is net off refund of custom duty granted to GVPGL on import of plant and machinery amounting to Rs. 11.19 crore charged from the date of capitalisation till the date of grant of such refund. Further depreciation of Rs. 2.40 crore chargeable from the date of capitalisation till the date of cancellation of part of the customs duty drawback refund in GVPGL, has been adjusted with the current year depreciation. Also Refer Note 19(4)(i)(c)
5. Depreciation withdrawals/ adjustments include exchange loss of Rs. 3.43 crore (2010 : gain of Rs. 4.11 crore) on account of the effect of translation of assets held by foreign subsidiaries which are consolidated as non integral foreign operations as per the requirements of Accounting Standard 11.
6. Refer Note 19(4)(x)(f) for demerger scheme of GMR Hyderabad International Airport Limited (GHIAL) pursuant to which certain assets of GHIAL have been transferred to GMR Hotels and Resorts Limited.

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

(Rs. in crore)

Schedule 6 | CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCES	March 31, 2011	March 31, 2010
Capital expenditure including land, buildings, roads, plant and machinery, computing equipment, electrical equipment, furniture and fixtures and capital advances [includes Negative Grant of Rs. Nil (2010: Rs. 250.51 crore)]	15,974.28	9,720.93
Salaries, allowances and benefits to employees	440.18	279.29
Contribution to provident and other funds	12.58	4.12
Staff welfare expenses	10.91	16.29
Rent	80.86	56.17
Repairs and maintenance		
Buildings	0.43	0.39
Others	15.80	29.64
Rates and taxes	18.12	15.31
Insurance	26.35	27.78
Consultancy and other professional charges	677.86	545.97
Travelling and conveyance	179.00	138.29
Communication expenses	8.64	6.82
Depreciation/ amortisation	16.42	12.25
Interest on term loans	1,298.38	901.12
Interest on debentures	35.68	15.41
Interest - others	209.88	32.54
Bank and other finance charges	496.24	394.30
Operations and maintenance	11.30	9.55
Printing and stationery	0.08	2.11
Loss/ (Gain) on account of foreign exchange fluctuations (net)	(23.28)	0.88
Miscellaneous expenses	175.29	133.70
(i)	19,665.00	12,342.86
Less: Other Income		
Interest income (gross)	12.04	1.48
Income from current investments-other than trade (gross)	82.87	56.45
Miscellaneous income	2.00	0.78
Provisions no longer required, written back	-	0.74
(ii)	96.91	59.45
Total - (iii) = (i) - (ii)	19,568.09	12,283.41
Less: Apportioned over the cost of fixed assets	10,078.28	1,353.04
Less: Charged to profit and loss account	-	21.76
Less: Development fund	-	525.74
(iv)	10,078.28	1,900.54
Total - (v) = (iii) - (iv)	9,489.81	10,382.87

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

(Rs. in crore)

Schedule 7 | INVESTMENTS	March 31, 2011	March 31, 2010	
LONG TERM - AT COST			
Unquoted			
A. A. In Equity shares of Companies - Trade			
Rampia Coal Mine and Energy Private Limited @ [Nil (2010 : 10,434,864) equity shares of Re. 1 each, fully paid up]	-		1.04
Vemagiri Power Services Limited [5,000 (2010 : 5,000) equity shares of Rs. 10 each, fully paid up]	0.01		0.01
Power Exchange India Limited [2,500,000 (2010: 2,500,000) equity shares of Rs.10 each, fully paid up]	2.50		2.50
B. In Equity shares of Body Corporates - Trade			
GMR Holding Overseas Investments Limited [5 (2010: Nil) equity shares of USD 1 each]	0.00		0.00
GMR Holding (Malta) Limited [58 (2010: 58) equity shares of EUR 1 each]	0.00		0.00
C. In Equity shares of Associate Companies - Trade			
Celebi Delhi Cargo Terminal Management Private Limited at cost @ [Nil (2010 : 18,720,000) equity shares of Rs. 10 each, fully paid up]	-	18.72	
Add: Share of profit during the year		1.23	19.95
Delhi Cargo Service Centre Private Limited at cost @ [Nil (2010 : 98,000) equity shares of Rs. 10 each, fully paid up]	-	0.01	
Add: Share of profit during the year		0.13	0.14
D. In Debentures of Companies - Trade			
Kakinada Infrastructure Holdings Private Limited [100 (2010 : 100) 0.1% cumulative optionally convertible Debentures of Rs. 10,000,000 each]	100.00		100.00
E. In Debentures of Body Corporates - Trade			
GMR Holding (Malta) Limited [415,000,000 (2010 : 254,419,001) compulsory convertible debentures of USD 1 each]	1,874.13		1,159.64
F. In Preference shares of Companies - Other than trade			
Rushil Constructions (India) Private Limited [4,673,000 (2010 : 3,841,000) preference share of Rs. 100 each, fully paid up]	46.73		38.41
G. In Equity shares of Companies - Other than trade			
Business India Publications Limited [5,000 (2010 : 5,000) equity shares of Rs. 10 each, fully paid up]	0.06		0.06
Ujjivan Financial Services Private Limited [50,000 equity shares of Re. 1 each (2010 : 5,000 equity shares of Rs. 10 each), fully paid up]	0.05		0.05
Quoted			
A. In Equity shares of Associate Companies/ Body Corporates - Trade			
Homeland Energy Group Limited at cost # [Nil (2010 : 103,257,095) Non - Assessable Common shares of CAD 1 each, fully paid up]		132.23	
Less: Share of loss during the year	-	(22.94)	109.29
(i)	2,023.48		1,431.09
CURRENT			
Other than trade, Quoted			
A. Investment In Equity shares of Companies			
ING Vysya Bank Limited [13,175 (2010 : 384,910) equity shares of Rs. 10 each, fully paid up]	0.37		10.76
Karur Vysya Bank Limited [156,800 (2010 : 80,000) equity shares of Rs. 10 each, fully paid up]	3.89		3.56

(Rs. in crore)

Schedule 7 | INVESTMENTS	March 31, 2011		March 31, 2010
Brigade Enterprises Limited [274,746 (2010 : 274,744) equity shares of Rs. 10 each, fully paid up]	3.87		3.87
Gokaldas Exports Limited [50,000 (2010 : 50,000) equity shares of Rs. 5 each, fully paid up]	0.76		0.76
Kalyani Steels Limited [25,000 (2010: 25,000) equity shares of Rs. 10 each, fully paid up]	0.57		0.57
Reliance Communications Limited [50,000 (2010 : 75,000) equity shares of Rs. 5 each, fully paid up]	0.79		1.20
Siemens Limited [12,000 (2010 : 27,546) equity shares of Rs. 2 each, fully paid up]	0.88		2.03
Sterilite Industries (India) Limited [91,104 equity shares of Re. 1 each (2010 : 22,776 equity shares of Rs. 2 each) fully paid up]	1.89		1.89
NTPC Limited [98,000 (2010 : 98,000) equity shares of Rs. 10 each, fully paid up]	1.97		1.97
Tata Consultancy Services Limited [3,279 (2010 : 3,279) equity shares of Re. 1 each, fully paid up]	0.27		0.27
HEG Limited [1,484 (2010 : 7,960) equity shares of Rs. 10 each, fully paid up]	0.05		0.27
Hindustan Petroleum Corporation Limited [8,402 (2010: 8,402) equity shares of Rs. 10 each, fully paid up]	0.27		0.27
Indian Oil Corporation Limited [6,206 (2010 : 6,206) equity shares of Rs. 10 each, fully paid up]	0.19		0.19
HDFC Bank Limited [1,335 (2010 : 1,335) equity shares of Rs. 10 each, fully paid up]	0.26		0.26
Oil India Limited [2,978 (2010 : 1,177) equity shares of Rs. 10 each, fully paid up]	0.36		0.13
ONGC Limited [10,412 equity shares of Rs. 5 each (2010 : 2,188 equity shares of Rs. 10 each), fully paid up]	0.30		0.24
Zensar Technologies Limited [20,930 equity shares of Rs. 5 each (2010 : 10,465 equity shares of Rs. 10 each), fully paid up]	0.30		0.30
HDFC Limited [7,030 equity shares of Rs. 2 each (2010 : 1,817 equity shares of Rs. 10 each), fully paid up]	0.38		0.49
Purchased during the year			
Aries Agro Limited [15,381 (2010 : Nil) equity shares of Rs. 10 each, fully paid up]	0.20		-
Bharth Earth Movers Limited [4,767 (2010 : Nil) equity shares of Rs. 10 each, fully paid up]	0.28		-
Indoco Remidies Limited [5,255 (2010 : Nil) equity shares of Rs. 10 each, fully paid up]	0.23		-
Deepak Fertilisers and Petrochemicals Corporation Limited [13,934 (2010 : Nil) equity shares of Rs. 10 each, fully paid up]	0.24		-
Balmer Lawrie and Company Limited [4,915 (2010 : Nil) equity shares of Rs. 10 each, fully paid up]	0.33		-
Zuari Industries Limited [2,448 (2010 : Nil) equity shares of Rs. 10 each, fully paid up]	0.20		-
Excel Crop Care Limited [12,268 (2010 : Nil) equity shares of Rs. 5 each, fully paid up]	0.28		-
ISMT Limited [63,529 (2010 : Nil) equity shares of Rs. 5 each, fully paid up]	0.35		-

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

(Rs. in crore)

Schedule 7 | INVESTMENTS	March 31, 2011		March 31, 2010
Cipla Limited [4,768 (2010 : Nil) equity shares of Rs. 2 each, fully paid up]	0.15		-
Larsen and Toubro Limited [1,800 (2010 : Nil) equity shares of Rs. 2 each, fully paid up]	0.30		-
Patni Computers Systems Limited [3,778 (2010 : Nil) equity shares of Rs. 2 each, fully paid up]	0.18		-
Standard Chartered IDR [19,465 (2010 : Nil) equity shares of Re. 0.5 each, fully paid up]	0.21		-
Aviva Corporation Limited* [4,000,000 (2010 : Nil) common shares without par value]	3.82		-
Southern Andes Energy Inc* [4,704,219 (2010: Nil) authorised unlimited common shares without par value]	9.80		-
Sold during the year			
Federal Bank Limited [Nil (2010 : 218,009) equity shares of Rs. 10 each, fully paid up]	-		5.64
Aditya Birla Nuvo Limited [Nil (2010 : 1,057) equity shares of Rs. 10 each, fully paid up]	-		0.09
Bank of Baroda Limited [Nil (2010 : 2,663) equity shares of Rs. 10 each, fully paid up]	-		0.17
Esab India Limited [Nil (2010 : 2,575) equity shares of Rs. 10 each, fully paid up]	-		0.15
Fulford India Limited [Nil (2010 : 109) equity shares of Rs. 10 each, fully paid up]	-		0.01
Noida Toll Bridge Limited [Nil (2010 : 250,000) equity shares of Rs. 10 each, fully paid up]	-		0.87
UTV Software Communications Limited [Nil (2010 : 10,000) equity shares of Rs. 10 each, fully paid up]	-		0.47
Bharti Tele Venture Limited [Nil (2010: 6,371) equity shares of Rs.5 each, fully paid up]	-		0.20
Cadila Healthcare Limited [Nil (2010 : 4,730) equity shares of Rs. 5 each, fully paid up]	-		0.39
Infosys Technologies Limited [Nil (2010 : 173) equity shares of Rs. 5 each, fully paid up]	-		0.05
Amara Raja Batteries Limited [Nil (2010 : 4,521) equity shares of Rs. 2 each, fully paid up]	-		0.07
Financial Technologies (India) Limited [Nil (2010 : 959) equity shares of Rs. 2 each, fully paid up]	-		0.16
Ipca Laboratories Limited [Nil (2010 : 21,455) equity shares of Rs. 2 each, fully paid up]	-		0.58
Jagran Prakashan Limited [Nil (2010 : 14,280) equity shares of Rs. 2 each, fully paid up]	-		0.17
United Phosphorous Limited [Nil (2010 : 13,979) equity shares of Rs. 2 each, fully paid up]	-		0.21
Dabur India Limited [Nil (2010 : 10,850) equity shares of Re. 1 each, fully paid up]	-		0.18
ITC Limited [Nil (2010 : 11,477) equity shares of Re. 1 each, fully paid up]	-		0.31
Rural Electrification Corporation Limited [Nil (2010 : 13,952) equity shares of Rs. 10 each, fully paid up]	-		0.35
Reliance Industries Limited [Nil (2010 : 2,156) equity shares of Rs. 10 each, fully paid up]	-		0.24
KEC International Limited [Nil (2010 : 5,425) equity shares of Rs. 10 each, fully paid up]	-		0.32
(ii)	33.94		39.66

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

(Rs. in crore)

Schedule 7 | INVESTMENTS	March 31, 2011	March 31, 2010	
Other than trade, unquoted			
A. Investment in Mutual Funds			
Axis Liquid Fund Institutional - Growth Scheme [80,573 (2010 : 245,311) units of Rs. 1,000 each]	8.73		25.00
Birla Sun Life Cash Plus - Institutional Premium Growth [191,757,199 (2010 : 327,093,619) units of Rs. 10 each]	300.75		572.64
Birla Sun Life Savings Fund Institutional - Daily Dividend [6,794,041 (2010 : 14,868,353) units of Rs. 10 each]	6.81		14.88
ICICI Prudential - Super Institutional Plan - Growth Option [34,115,390 (2010 : 8,759,985) units of Rs. 100 each]	494.16		150.03
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth [336,901 (20010: 3,675,436) units of Rs. 100 each]	4.88		50.00
IDFC Cash Fund Super Institutional Plan - Growth [244,002,021 (2010 : 51,086,077) units of Rs. 10 each]	290.81		57.18
Purchased during the year			
Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout [4,720,000 (2010 : Nil) units of Rs. 10 each]	5.90		-
UTI - Liquid Plus Fund Institutional Plan [1,321,674 (2010 : Nil) units of Rs. 1,000 each]	212.63		-
UTI Liquid Cash Plan Institutional - Growth Option [30,488 (2010 : Nil) units of Rs. 1,000 each]	4.90		-
DSP Black Rock Liquidity Fund - Institutional plan - Growth [47,762 (2010 : Nil) units of Rs. 1,000 each]	6.70		-
Kotak Liquid Fund Premium Plan Daily Dividend Reinvestment Option [503,807 (2010 : Nil) units of Rs. 10 each]	1.00		-
Reliance Liquidity Fund - Growth Option [4,069,122 (2010 : Nil) units of Rs. 10 each]	6.00		-
Reliance Liquid Fund Weekly Dividend [890,426 (2010 : Nil) units of Rs. 10 each]	1.36		-
SBI Premier Liquid Fund Institutional - Growth [10,468,538 (2010 : Nil) units of Rs. 10 each]	16.12		-
Templeton India Treasury Management Account Super Institutional Plan - Growth [10,372 (2010 : Nil) units of Rs. 1,000 each]	1.51		-
SBI SFH Ultra Daily Dividend Plan, short term [3,648,885 (2010 : Nil) units of Rs. 10 each]	0.95		-
Reliance Money Manager, Daily Dividend Plan [56,833 (2010 : Nil) units of Rs. 100 each]	1.48		-
Reliance Floating Rate Fund, Daily dividend Plan [1,037,461 (2010 : Nil) units of Rs. 10 each]	0.27		-
Franklin Templeton India Treasury Management Account-Super Institutional Plan -Growth [341,315 (2010 : Nil) units of Rs. 1,000 each]	49.71		-
Religare liquid Fund -Super institutional -Growth [41,264 (2010 : Nil) units of Rs. 1,000 each]	5.60		-
HDFC Liquid Fund - Premium Plan - Growth [192,495 (2010 : Nil) units of Rs. 10 each]	0.38		
Sold during the year			
BSL Infrastructure Fund - Plan A - Div - Payout [Nil (2010 : 4,723,347) units of Rs. 10 each]	-		3.50
Birla Sun Life Saving Fund Institutional - Growth [Nil (2010 : 8,333,809) units of Rs. 10 each]	-		14.56

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

(Rs. in crore)

Schedule 7 | INVESTMENTS	March 31, 2011	March 31, 2010
Reliance Liquid Fund - Weekly Dividend [Nil (2010 : 694,114) units of Rs. 10 each]	-	1.06
UTI Treasury Advantage Fund - Institutional Plan - Growth [Nil (2010 : 251,734) units of Rs. 1000 each]	-	31.13
IDFC Cash Fund-Super Institutional Plan - Daily Dividend [Nil (2010 : 3,381,759) units of Rs. 10 each]		3.38
IDFC Money Manager Fund - Treasury Plan - Institutional Plan - Growth [Nil (2010 : 63,245,289) units of Rs. 10 each]	-	69.03
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Growth [Nil (2010 : 25,000,000) units of Rs. 10 each]	-	25.00
UTI Treasury Advantage Fund -Institutional Plan - Daily Dividend Scheme [Nil (2010 : 350,017) units of Rs. 1,000 each]	-	35.01
Birla Sunlife Cash Plus Institutional - Daily Dividend [Nil (2010 : 299,731) units of Rs. 10 each]	-	0.30
BSL Savings Fund Institutional - Growth [Nil (2010 : 25,526,525) units of Rs. 10 each]	-	44.60
HDFC Cash Management Fund - Treasury Advantage Plan-Growth [Nil (2010 : 4,459,889) units of Rs. 10 each]	-	9.00
HDFC Liquid Fund - Premium Plan - Growth [Nil (2010 : 113,892,875) units of Rs. 10 each]	-	223.01
ICICI Prudential - Super Institutional Growth Fund [Nil (2010 : 21,785,567) units of Rs. 100 each]	-	296.24
ICICI Prudential Flexible Income Plan premium - Daily Dividend [Nil (2010 : 740,913) units of Rs. 100 each]	-	7.83
ICICI Prudential Flexible Income Plan Premium - Growth [Nil (2010 : 12,599,989) units of Rs. 100 each]	-	215.73
ICICI Prudential - Ultra Short Term Super Premium Growth [Nil (2010 : 209,269,177) units of Rs. 10 each]	-	216.03
ICICI Prudential - Short Term Plan Institutional Growth [Nil (2010 : 12,414,778) units of Rs. 10 each]	-	24.00
IDFC Money Manager Fund - Treasury Plan Super Institutional Plan - Growth [Nil (2010 : 249,808,847) units of Rs. 10 each]	-	272.75
B. Investment in Government Securities		
Sold during the year		
6.35% Government of India 2020 [Nil (2010 : 1,500,000) units of Rs. 100 each]	-	13.49
6.05% Government of India 2019 [Nil (2010 : 500,000) units of Rs. 100 each]	-	4.40
C. Investment in Non-Government Securities		
8.40% ONGC Videsh Limited [100 (2010 : 150) units of Rs. 1,000,000 each]	9.72	14.92
8.90% Power Grid Corporation Limited** [40 (2010: 40) units of Rs. 1,250,000 each]	4.94	5.04
Purchased during the year		
7.70% 2013 Hindustan Petroleum Corporation Limited [200 (2010 : Nil) units of Rs.1,000,000 each]	19.38	-
8.70% 2011 Power Finance Corporation Limited [250 (2010 : Nil) units of Rs. 1,000,000 each]	24.52	-
8.84% 2015 Power Grid Corporation Limited [80 (2010 : Nil) units of Rs. 1,250,000 each]	9.85	-
9% Shriram Transport Company Limited [42,284 (2010 : Nil) units of Rs. 1,000 each]	4.23	-
D. Investment in Venture Capital Fund		
Faering Capital India Evolving Fund [15,000 (2010 : Nil) Units of Rs. 1,000 each]	1.50	-

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

(Rs. in crore)

Schedule 7 | INVESTMENTS	March 31, 2011	March 31, 2010
E. Investment in Certificate of Deposits		
Punjab National Bank [7,500 (2010 : 2500) units of Rs. 100,000 each]	72.32	23.51
Union Bank of India [2,500 (2010 :1,500) units of Rs. 100,000 each]	23.45	14.12
Corporation Bank [5,000 (2010 : 2,000) units of Rs. 100,000 each]	48.85	19.97
Bank of India [2,500 (2010 : 2,500) units of Rs. 100 each]	24.02	24.89
HDFC Bank Limited [2,500 (2010 : 10,000) units of Rs. 100,000 each]	24.51	97.35
State Bank of Travancore [2,500 (2010: 1,000) units of Rs. 100,000 each]	24.24	9.77
State Bank of Bikaner and Jaipur [2,500 (2010 : 2,500) units of Rs. 100,000 each]	24.33	23.56
Purchased during the year		
Punjab National Bank [2,500 (2010 : Nil) units of Rs. 100,000 each]	23.57	-
Andhra Bank [5,000 (2010 : Nil) units of Rs. 100,000 each]	48.80	-
IDBI Bank [2,500 (2010: Nil) units of Rs. 100,000 each]	24.33	-
State Bank of Mysore [2,500 (2010: Nil) units of Rs. 100,000 each]	23.49	-
Sold during the year		
State Bank of Bikaner and Jaipur [Nil (2010 : 2,500) units of Rs. 100,000 each]	-	24.91
Allahabad Bank [Nil (2010 : 5,000) units of Rs. 100,000 each]	-	48.70
Canara Bank [Nil (2010 : 35,000) units of Rs. 100,000 each]	-	336.26
Central Bank of India [Nil (2010 : 2,500) units of Rs. 100,000 each]	-	24.97
Dena Bank [Nil (2010 : 10,000) units of Rs. 100 each]	-	97.39
Central Bank of India [Nil (2010 : 2,500) units of Rs. 100,000 each]	-	24.84
(iii)	1,856.70	3,169.98
Other than Trade, Unquoted		
A. Investment In Equity shares of Companies		
Sai Rayalaseema Paper Mills Limited [323,210 (2010: 323,210) equity shares of Rs. 10 each, fully paid up]	0.39	0.39
(iv)	0.39	0.39
Less: Provision for diminution in the value of investments (v)	(940.37)	(0.07)
Total - (v) = (i) + (ii) + (iii) + (iv) + (v)	2,974.14	4,641.05

#Considered as a subsidiary company during the year

@Considered as a joint venture during the year

*Consequent to Homeland Energy Group Limited (HEGL), becoming a subsidiary, on account of further investments

**The investments existing as on March 31, 2010 have been sold and new investments have been purchased.

Notes:

Aggregate market value of long term quoted investments - Rs. Nil (2010 : Rs. 71.51 crore)

Aggregate market value of short term quoted investments - Rs. 33.06 crore (2010 : Rs. 39.59 crore)

Aggregate amount of unquoted investments - Rs. 2,940.20 crore (2010 : Rs. 4,601.46 crore)

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

(Rs. in crore)

Schedule 8 | INVENTORIES	March 31, 2011	March 31, 2010
(at lower of cost and net realisable value)		
Stores and spares	50.52	35.00
Raw materials	35.57	56.50
Contract work in progress	0.25	12.53
Finished goods - traded stock	98.24	11.89
Total	184.58	115.92

(Rs. in crore)

Schedule 9 | SUNDRY DEBTORS	March 31, 2011	March 31, 2010
Debts outstanding for a period exceeding six months		
Secured, considered good	1.60	0.56
Unsecured		
Considered good	190.71	162.30
Considered doubtful	4.12	0.54
Less: Provision for doubtful debts	(4.12)	(0.54)
	192.31	162.86
Other debts*		
Secured, considered good	110.43	100.02
Unsecured		
Considered good	1,017.18	602.05
Considered doubtful	3.45	0.69
Less: Provision for doubtful debts	(3.45)	(0.69)
	1,127.61	702.07
Total	1,319.92	864.93

* Includes unbilled revenue amounting to Rs. 506.65 crore (2010: Rs. 327.98 crore)

(Rs. in crore)

Schedule 10 | CASH AND BANK BALANCES	March 31, 2011	March 31, 2010
Cash and cheques on hand	9.56	7.61
Balances with scheduled banks		
On current accounts - others*	989.96	231.44
On deposit accounts**	2,074.61	506.82
On margin money deposit accounts ***	15.25	42.45
Balances with banks other than scheduled banks		
On current accounts	157.47	846.59
On deposit accounts	98.35	19.42
On margin money deposit accounts ^	28.01	28.29
Total	3,373.21	1,682.62

* Includes share application money pending refund Rs 0.05 crore (2010: Rs. 0.05 crore).

** Balance in deposit accounts includes deposit of Rs. 69.49 crore (2010: Rs. 10.00 crore) on which charge has been created for working capital facility.

*** The margin money are towards letters of credit and bank guarantees issued by the bankers on behalf of the Group.

^ Minimum balance maintained to meet the requirements of facility agreement entered into by GENBV.

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

(Rs. in crore)

Schedule 11 | OTHER CURRENT ASSETS	March 31, 2011	March 31, 2010
(Unsecured and considered good)		
Interest accrued on fixed deposits with banks and investments	68.92	99.65
Claims recoverable	-	61.96
Development fund receivable	650.80	-
Other than trade - considered good	43.02	-
Grant receivable from authorities	0.04	0.04
Total	762.78	161.65

(Rs. in crore)

Schedule 12 | LOANS AND ADVANCES	March 31, 2011	March 31, 2010
(Unsecured and considered good, unless otherwise stated)		
Loans to employees	6.62	4.49
Advance towards share application money	6.72	-
Loans to others*	267.44	137.61
Advances recoverable in cash or in kind or for value to be received		
Considered good**	912.04	677.63
Considered doubtful	0.59	-
Less: Provision for doubtful advances	(0.59)	-
Deposit with government authorities	22.31	114.98
Deposits with others	236.86	71.14
Balances with customs, excise, etc.	184.46	200.52
Advance tax (net of provision)	177.63	88.06
MAT credit entitlement	37.55	21.20
Total	1,851.63	1,315.63

* Includes Rs.115.00 crore (2010: Rs. Nil) interest free loan to Welfare Trust of GMR Infra Employees ([Refer Note 4(x)(j) of Schedule 19]

** Includes Rs.94.07 crore (2010: Rs.94.53 crore) receivable in GHIAL from passenger security fees (security component) fund.

(Rs. in crore)

Schedule 13 I CURRENT LIABILITIES AND PROVISIONS	March 31, 2011	March 31, 2010
a) Current Liabilities		
Sundry Creditors		
Dues to micro and small enterprises [Refer Note 4(x)(a) of schedule 19]	-	-
Dues to other than micro and small enterprises	3,543.19	850.57
	3,543.19	850.57
Book overdraft	1.05	3.34
Share application money refunds - not claimed*	0.05	0.05
Advances/ Deposits from customers/ concessionaires	1,122.27	440.05
Retention money	175.56	69.89
Other liabilities	190.61	138.32
Interest accrued but not due on loans	128.99	75.27
	5,161.72	1,577.49
b) Provisions		
Provision for preference dividend	2.74	1.04
Provision for dividend distribution tax	0.65	0.26
Provision for voluntary retirement compensation [Refer Note 4(xvi) of schedule 19]	138.21	170.88
Provision for wealth tax	0.03	0.06
Provision for taxation (net of advance tax)	4.86	44.65
Provision for employee benefits	50.42	29.44
Provision for debenture redemption premium	0.75	106.96
Provision for preference share redemption premium	10.17	14.38
Provision for operations and maintenance (net of advances) [Refer Note 4(xvi)(a) of schedule 19]	20.22	20.09
	228.05	387.76
Total	5,389.77	1,965.25

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011

(Rs. in crore)

Schedule 14 : SALES AND OPERATING INCOME	March 31, 2011	March 31, 2010
Power		
Income from sale of electrical energy*	2,150.75	2,083.41
Less: Prompt payment rebate	40.22	45.85
Income from mining activities	75.31	-
	2,185.84	2,037.56
Roads		
Annuity income from expressways	248.33	248.19
Toll income from expressways	141.92	97.88
	390.25	346.07
Airports		
Aeronautical	881.61	702.58
Non - Aeronautical**	1,699.38	1,041.27
Cargo operations	361.48	215.67
Income from commercial property development	79.05	46.38
	3,021.52	2,005.90
EPC		
Construction revenue	515.26	409.85
	515.26	409.85
Others		
Income from hospitality services	68.95	39.24
Income from management and other services	110.10	125.28
Interest income (gross)	77.20	126.71
[Tax deducted at source - Rs. 10.90 crore (2010: Rs. 6.63 crore)		
Dividend income on current investments (other than trade) (gross)	0.90	1.58
Profit on sale of current investments (other than trade)	55.02	31.23
	312.17	324.04
Total	6,425.04	5,123.42

* Includes Rs. 257.55 crore (2010: Rs. 168.78 crore) from energy trading operations.
** Includes Rs. 715.82 crore (2010: Rs. 258.16 crore) from fuel trading operations.

(Rs. in crore)

Schedule 15 : OTHER INCOME	March 31, 2011	March 31, 2010
Interest income on deposits (gross)	154.04	127.95
[Tax deducted at source - Rs. 12.02 crore (2010: Rs. 13.89 crore)]		
Provision for claims recoverable/ doubtful debts written back	5.75	30.32
Provisions no longer required, written back	50.16	42.45
Profit on sale of current investments (other than trade)	49.14	37.33
[Net of loss on sale of investments of Rs. 2.88 crore (2010: Rs. Nil)]		
Lease income	0.79	0.74
Miscellaneous income	51.42	52.55
Total	311.30	291.34

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011

(Rs. in crore)

Schedule 16 : GENERATION AND OPERATING EXPENSES	March 31, 2011	March 31, 2010
Consumption of fuel and lubricants	1,283.65	1,386.92
Purchase of traded goods		
Cost of power purchased for re-sale	219.53	161.83
Cost of other traded items purchased for re-sale	743.70	242.41
Operations and maintenance	456.90	242.28
[Includes stores and spare parts consumed Rs. 13.87 crore (2010: Rs. 12.81 crore)]		
Airport operator fee	39.29	30.81
Construction cost	366.00	266.51
Cargo handling charges	8.93	14.68
Insurance	15.26	16.82
Technical consultancy fee	11.10	9.26
Salaries, allowances and benefits to employees	82.39	27.31
Contribution to provident fund and others	0.93	0.86
Electricity and water charges	95.61	60.14
Repairs and maintenance		
Plant and machinery	83.39	48.16
Buildings	31.58	31.38
Others	24.38	39.94
Lease rentals [net of sub-lease rentals - Rs. Nil (2010: Rs. 0.28 crore) and includes Land lease rentals of Rs. 5.82 crore (2010: Rs. 4.99 crore)]	11.52	10.90
Miscellaneous expenses	17.43	1.90
	3,491.59	2,592.11
Stock as at April 1,	24.57	9.05
Less: Stock as at March 31,	108.81	24.57
(Increase)/ decrease in stock in trade	(84.24)	(15.52)
Total	3,407.35	2,576.59

(Rs. in crore)

Schedule 17 : ADMINISTRATION AND OTHER EXPENSES	March 31, 2011	March 31, 2010
Salaries, allowances and benefits to employees	294.24	243.79
Contribution to provident and other funds	11.69	12.27
Staff welfare	32.64	26.72
Operation support cost paid to Airports Authority of India	-	10.38
Rent	49.20	39.74
Repairs and maintenance		
Buildings	0.69	0.06
Others	43.35	15.17
Rates and taxes	29.82	31.34
Insurance	15.50	6.90
Consultancy and other professional charges	134.89	108.93
Directors' sitting fees	1.40	0.63
Electricity charges	2.27	1.86

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011

(Rs. in crore)

Schedule 17 : ADMINISTRATION AND OTHER EXPENSES	March 31, 2011	March 31, 2010
Advertisement	11.16	22.90
Travelling and conveyance	34.03	15.99
Communication	11.72	9.46
Printing and stationery	7.74	6.61
Provision for doubtful advances and debtors	4.20	0.79
Provision for diminution in value of investments	2.16	0.07
Donations	10.61	14.99
Loss on account of foreign exchange fluctuations (net)	17.15	0.01
Loss on sale of fixed assets	3.13	3.85
Bad debts written off (net of provisions no longer required written back of Rs. Nil (2010: Rs. 17.94 crore))	9.93	11.45
Miscellaneous expenses	83.42	41.70
Total	810.94	625.61

(Rs. in crore)

Schedule 18 : INTEREST AND FINANCE CHARGES (NET)	March 31, 2011	March 31, 2010
Interest on term loans	1,059.19	707.49
Interest on debentures	72.93	82.62
Interest - others	53.34	9.01
Mark to market loss (gain) on derivative instruments	(2.00)	25.93
Bank and other finance charges	46.60	25.23
Total	1,230.06	850.28

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

1. Description of Business

GMR Infrastructure Limited ('GIL' or 'the Company') and its consolidated subsidiaries, associates and joint ventures (hereinafter collectively referred to as 'the Group') are mainly engaged in generation of power, mining and exploration activities, development of highways, infrastructure development such as development and maintenance of airports and special economic zones, construction business including Engineering, Procurement Construction (EPC) contracting activities and operation of special economic zones.

Energy Sector

Certain entities of the Group are involved in the generation of power. These are separate special purpose vehicles formed which have entered into Power Purchase Agreements with the electricity distribution companies of the respective state governments (either on the basis of Memorandum of Understanding or through a bid process) or short term power supply agreements to generate and sell power directly to consumers as a merchant plant. Certain entities of the group are involved in the mining and exploration activities and the group is also involved in energy trading activities through one of its subsidiaries.

Airport Sector

Certain entities of the Group are engaged in development of airport infrastructure such as greenfield international airport at Hyderabad and modernization of international airports at Delhi, Male and Istanbul on build, own, operate and transfer basis.

Development of Highways

Certain entities of the Group are engaged in development of highways on build, operate and transfer model on annuity or toll basis. These are special purpose vehicles which have entered into concessionaire agreements with National Highways Authority of India for carrying out these projects.

Construction Business

Certain entities of the Group are in the business of construction including as an EPC contractor. These entities are engaged in handling of EPC solution in the infrastructure sector.

Others

Certain entities of the Group cover all residual activities of the Group that includes urban infrastructure, investment activities and management/technical consultancy.

2. Principles of Consolidation

The consolidated financial statements include accounts of the Group. Subsidiary undertakings are those companies in which GIL, directly or indirectly, has an interest of more than one half of voting power or otherwise controls the composition of the Board/Governing Body so as to obtain economic benefits from its activities. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date such control ceases. The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group as in the previous year.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheet, profit and loss account and cash flow statement of GIL and its subsidiary companies. All inter-company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated unless cost cannot be recovered. The excess of the cost to the Company of its investments in subsidiaries, over its proportionate share in equity of the investee company as at the date of acquisition is recognised in the consolidated financial statements as Goodwill and disclosed under Intangible Assets. In case the cost of investment in subsidiary companies is less than the proportionate share in equity of the investee company as on the date of investment, the difference is treated as Capital Reserve and shown under Reserves and Surplus.

The gains or losses arising from the dilution of interest on issue of additional shares to third parties is recorded as Capital Reserve/ Goodwill. Gains or losses arising on the direct sale by the Company of its investment in its subsidiaries or associated companies to third parties are transferred to the Profit and Loss Account. Such gains or losses are the difference between the sale proceeds and the net carrying values of the investments

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

Investments in the Associates have been accounted in these consolidated financial statements as per Accounting Standards (AS) 23 on Accounting for Investments in Associates in consolidated financial statements. Investments in associate companies, which have been made for temporary purposes, have not been considered for consolidation.

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

Investments in the Joint Ventures have been accounted using proportionate consolidation method whereby the Group includes its share of the assets, liabilities, income and expenses of the joint venture in its consolidated financial statements as per AS 27 on Financial Reporting of Interests in Joint Ventures.

The companies considered in the consolidated financial statements in each of the years are listed below:

S.No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
1	GMR Energy Limited (GEL)	India	Subsidiary	97.91%	97.91%	97.91%	97.91%
2	GMR Power Corporation Limited (GPCL)	India	Subsidiary	49.93%	49.93%	51.00%	51.00%
3	GMR Vemagiri Power Generation Limited (GVPGL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
4	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary	97.91%	97.91%	99.90%	99.90%
5	Badrinath Hydro Power Generation Private Limited (BHPL)	India	Subsidiary	96.93%	96.93%	99.00%	99.00%
6	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary[13]	71.57%	87.14%	73.10%	89.00%
7	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary	78.33%	78.33%	80.00%	80.00%
8	Himtal Hydro Power Company Private Limited (HHPCPL)	Nepal	Subsidiary	78.33%	78.33%	80.00%	80.00%
9	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary	98.01%	98.01%	100.00%	100.00%
10	GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary	98.01%	98.01%	100.00%	100.00%
11	GMR Upper Karnali Hydropower Limited (GUKHL)	Nepal	Subsidiary	71.55%	71.55%	73.00%	73.00%
12	GMR Energy Trading Limited (GETL)	India	Subsidiary	99.60%	99.60%	100.00%	100.00%
13	GMR Consulting Services Private Limited (GCSPL)	India	Subsidiary	96.93%	96.93%	99.00%	99.00%
14	GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary	96.93%	97.91%	99.00%	100.00%
15	GMR BajoliHoli Hydropower Private Limited (GBHHPL)	India	Subsidiary	96.93%	97.91%	99.00%	100.00%
16	GMR Londa Hydropozwer Private Limited (GLHPPL)	India	Subsidiary	96.93%	97.91%	99.00%	100.00%
17	GMR Kakinada Energy Private Limited (Formerly Known as Londa Hydro Power Private Limited) (GKEPL)	India	Subsidiary	96.93%	96.93%	99.00%	99.00%
18	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Joint Venture[1]	17.03%	-	17.39%	-
19	GMR Chhattisgarh Energy Limited (Formerly known as GMR Chhattisgarh Energy Private Limited) (GCHEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
20	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary	98.01%	98.01%	100.00%	100.00%
21	GMR Energy (Netherlands) B.V (GENBV)	Netherlands	Subsidiary	98.01%	98.01%	100.00%	100.00%
22	PT Dwikarya Sejati Utma (PTDSU)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
23	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
24	PT Barasentosa Lestari (PTBL)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
25	Lion Energy Tuas Pte Limited (LETPL)	Singapore	Subsidiary[2]	-	98.01%	-	100.00%
26	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
27	SJK Powergen Limited (SJK)	India	Subsidiary	68.54%	68.54%	70.00%	70.00%
28	PT Unsoco (PT)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
29	EMCO Energy Limited (EMCO)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
30	Homeland Energy Group Limited (HEGL)	Canada	Subsidiary[3]	54.67%	33.47%	55.84%	34.17%

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

S.No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
31	Homeland Energy Corp (HEC)	Mauritius	Subsidiary[4]	54.67%	-	100.00%	-
32	Homeland Mining & Energy SA (Pty) Limited (HMES)	South Africa	Subsidiary[4]	54.67%	-	100.00%	-
33	Homeland Energy (Swaziland) (Pty) Limited (HESW)	Swaziland	Subsidiary[4]	41.00%	-	75.00%	-
34	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEB)	Botswana	Subsidiary[4]	54.67%	-	100.00%	-
35	Homeland Coal Mining (Pty) Limited (HCM)	South Africa	Subsidiary[4]	54.67%	-	100.00%	-
36	Nhalalala Mining (Pty) Limited (NML)	South Africa	Joint Venture[5]	27.34%	-	50.00%	-
37	Tshedza Mining Resource (Pty) Limited (TMR)	South Africa	Joint Venture[5]	27.34%	-	50.00%	-
38	Corpclo 331 (Pty) Limited (CPL)	South Africa	Subsidiary[4]	54.67%	-	100.00%	-
39	Ferret Coal Holdings (Pty) Limited (FCH)	South Africa	Subsidiary[4]	54.67%	-	100.00%	-
40	Wizard Investments (Pty) Limited (WIL)	Botswana	Subsidiary[4]	38.27%	-	70.00%	-
41	Ferret Coal (Kendal) (Pty) Limited (FCK)	South Africa	Subsidiary[4]	40.46%	-	74.00%	-
42	Manoka Mining (Pty) Limited (MMPL)	South Africa	Subsidiary[4]	35.54%	-	65.00%	-
43	GMR Maharashtra Energy Limited (GMAEL)	India	Subsidiary[8]	97.91%	-	100.00%	-
44	GMR Bundelkhand Energy Prizvate Limited (GBEPL)	India	Subsidiary[8]	97.91%	-	100.00%	-
45	GMR Uttar Pradesh Energy Private Limited (GUPEPL)	India	Subsidiary[8]	97.91%	-	100.00%	-
46	GMR Hosur Energy Limited (GHOEL)	India	Subsidiary[8]	97.91%	-	100.00%	-
47	GMR Gujarat Solar Power Private Limited (earlier known as GMR Campus Private Limited) (GGSPPL)	India	Subsidiary[7]	97.91%	100.00%	100.00%	100.00%
48	Karnali Transmission Company Private Limited (KTCPL)	India	Subsidiary[8]	98.01%	-	100.00%	-
49	Marsyangdi Transmission Company Private Limited (MTCPL)	India	Subsidiary[8]	98.01%	-	100.00%	-
50	GMR Indo-Nepal Energy Links Limited (GINELL)	India	Subsidiary[8]	97.90%	-	99.88%	-
51	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Subsidiary[8]	97.90%	-	99.88%	-
52	GMR Renewable Energy Limited (GREEL)	India	Subsidiary[8]	100.00%	-	100.00%	-
53	Aravali Transmission Service Company Limited(ATSCL)	India	Subsidiary[6]	97.91%	-	100.00%	-
54	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary[6]	97.91%	-	100.00%	-
55	GMR Energy Projects (Mauritius) Limited (GEPML)	Mauritius	Subsidiary[8]	100.00%	-	100.00%	-
56	Island Power Intermediary Pte Limited (IPIPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
57	Island Power Company Pte Limited (IPCPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
58	Island Power Supply Pte Limited (IPSPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
59	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
60	GMR Highways Limited (GMRHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

S.No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
61	GMR TambaramTindivanam Expressways Private Limited (GTTEPL)	India	Subsidiary	60.48%	60.48%	74.00%	74.00%
62	GMR TuniAnakapalli Expressways Private Limited (GTAEPL)	India	Subsidiary	60.48%	60.48%	74.00%	74.00%
63	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary	99.46%	99.46%	100.00%	100.00%
64	GMR Jadcherla Expressways Private Limited (GJEPL)	India	Subsidiary	99.90%	99.90%	100.00%	100.00%
65	GMR Pochanpalli Expressways Limited (GPEL)	India	Subsidiary	99.90%	99.90%	100.00%	100.00%
66	GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Subsidiary	99.90%	99.90%	100.00%	100.00%
67	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary	90.00%	74.00%	90.00%	74.00%
68	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	India	Subsidiary	90.00%	89.79%	90.00%	90.00%
69	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
70	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	63.00%	63.00%	63.00%	63.00%
71	Gateways for India Airports Private Limited (GFIAPL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%
72	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary	32.13%	32.13%	51.00%	51.00%
73	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
74	GMR Hyderabad Airport Resource Management Limited (GHARML)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
75	GMR Hyderabad Aerotropolis Limited (GHAL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
76	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
77	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
78	MAS GMR Aerospace Engineering Company Private Limited (MGECPL)	India	Joint Venture	31.50%	31.50%	50.00%	50.00%
79	TVS GMR Aviation Logistics Limited (TVS GMR)	India	Joint Venture[1]	30.87%	-	49.00%	-
80	Hyderabad Duty Free Retail Limited (HDFRL)	India	Subsidiary[8]	63.00%	-	100.00%	-
81	GMR Airport Developers Limited (GADL)	India	Subsidiary[3]	96.20%	-	99.02%	-
82	MAS GMR Aero Technic Limited(MGATL)	India	Joint Venture[1]	31.50%	-	100.00%	-
83	GADL International Limited (GADLIL)	Isle of Man	Subsidiary[9]	96.20%	-	100.00%	-
84	GADL (Mauritius) Limited (GADLML)	Isle of Man	Subsidiary[9]	96.20%	-	100.00%	-
85	GMR Airport Handling Services Company Limited (GAHSCL)	India	Subsidiary[6]	63.00%	-	100.00%	-
86	Asia Pacific Flight Training Academy Limited (APFTAL)	India	Joint Venture[1]	25.20%	-	40.00%	-
87	Delhi International Airport Private Limited (DIAL)	India	Subsidiary	53.53%	53.79%	54.00%	54.00%

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

S.No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
88	Delhi Aviation Services Private Limited (DASPL) (Formely DIAL Cargo Private Limited)	India	Joint Venture[10]	26.77%	53.79%	50.00%	100.00%
89	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary	53.53%	53.79%	100.00%	100.00%
90	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Subsidiary	75.27%	63.17%	99.99%	87.50%
91	Travel Food Services (Delhi T3) Private Limited (TFSPL)	India	Joint Venture[1]	21.41%	-	40.00%	-
92	Devyani Food Street Private Limited (DFSPL)	India	Joint Venture	21.41%	21.52%	40.00%	40.00%
93	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Joint Venture	21.41%	21.52%	40.00%	40.00%
94	Delhi Duty Free Services Private Limited (DDFSPL)	India	Joint Venture	26.71%	26.84%	49.90%	49.90%
95	Delhi Aviation Fuel Facility Private Limited (DAFFPL)	India	Joint Venture[10]	13.92%	33.89%	26.00%	63.00%
96	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL)	India	Joint Venture[11]	13.92%	13.99%	26.00%	26.00%
97	Delhi Cargo Service Centre Private Limited (DCSCPL)	India	Joint Venture[11]	13.92%	13.99%	26.00%	26.00%
98	Wipro Airport IT Services Private Limited (WAITSPL)	India	Joint Venture	13.92%	13.99%	26.00%	26.00%
99	Delhi Airport Parking Services Private Limited (DAPSPL)	India	Joint Venture	26.71%	26.84%	49.90%	49.90%
100	TIM Delhi Airport Advertisement Private Limited (TIM Delhi)	India	Joint Venture[1]	26.71%	-	49.90%	-
101	Istanbul Sabiha Gokcen Uluslarasi Havalimani YatirimYapumVelsletmeSirketi (ISG)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
102	Isatnbul Sabiha Gokcen Uluslararasi Hvalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	Joint Venture	29.00%	29.00%	29.00%	29.00%
103	GMR Hotels and Resorts Limited (GHRL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
104	GMR Airports Holding Limited (GAHL)	India	Subsidiary[13]	97.15%	100.00%	97.15%	100.00%
105	GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
106	GMR Krishnagiri SEZ Limited (GKSEZ)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
107	Advika Properties Private Limited (APPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
108	Aklima Properties Private Limited (AKPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
109	Amartya Properties Private Limited (AMPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
110	Baruni Properties Private Limited (BPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
111	Bougainvillea Properties Private Limited (BOPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
112	Camelia Properties Private Limited (CPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
113	Deepesh Properties Private Limited (DPPL)	India	Subsidiary[6]	100.00%	-	100.00%	-
114	Eila Properties Private Limited (EPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
115	Gerbera Properties Private Limited (GPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
116	Lakshmi Priya Properties Private Limited (LPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
117	Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
118	Idika Properties Private Limited (IPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
119	Krishnapriya Properties Private Limited (KPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

S.No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
120	Larkspur Properties Private Limited (LAPPL)	India	Subsidiary[6]	100.00%	-	100.00%	-
121	Nadira Properties Private Limited (NPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
122	Padmapriya Properties Private Limited(PAPPL)	India	Subsidiary[6]	100.00%	-	100.00%	-
123	Prakalpa Properties Private Limited (PPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
124	Purnachandra Properties Private Limited (PUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
125	Shreyadita Properties Private Limited (SPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
126	Sreepa Properties Private Limited (SRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
127	GMR SEZ and Port Holdings Private Limited (GSPHPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
128	GMR Corporate Affairs Private Limited (GCAPL)	India	Subsidiary	99.00%	99.00%	99.00%	99.00%
129	Dhruvi Securities Private Limited (DSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
130	Kakinada SEZ Private Limited (KSPL)	India	Subsidiary[6]	51.00%	-	51.00%	-
131	GMR Power Infra Limited (GPIL)	India	Subsidiary[8]	99.99%	-	100.00%	-
132	GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
133	GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%
134	GMR Infrastructure Overseas Sociedad Limitada (GIOSL)	Spain	Subsidiary	100.00%	100.00%	100.00%	100.00%
135	GMR Infrastructure (UK) Limited (GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%
136	GMR International (Malta) Limited (GMRIML)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%
137	Limak GMR Construction JV (LGCJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%
138	GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
139	GMR Energy (Global) Limited (GEGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
140	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
141	GMR Male International Airport Private Limited (GMIAPL)	Maldives	Subsidiary[8]	76.87%	-	76.87%	-
142	GMR Infrastructure Investments (Singapore) Pte Limited (GIISPRL)	Singapore	Subsidiary[8]	100.00%	-	100.00%	-
143	GMR Holdings Overseas Spain SLU (GHOSS)	Spain	Subsidiary[8]	100.00%	-	100.00%	-
144	GMR Headquarters Private Limited (GHDPL)	India	Subsidiary[12]	-	100.00%	-	100.00%

1. Joint Venture agreement executed during the year
2. Wound up during the year
3. Became subsidiary during the year consequent to increase in Group's holding
4. Became subsidiary consequent to increase in Group's holding in HEGL
5. Became joint venture consequent to increase in Group's holding acquiring in HEGL
6. Acquired during the year
7. Dilution due to change in holding structure of the subsidiary
8. Incorporated during the year
9. Became subsidiary consequent to GADL becoming subsidiary
10. Became Joint venture during the year on issuing shares to minority
11. Considered as Joint venture during the year based on the shareholding agreement.
12. Transfer of full shareholding in the company during the year
13. Shares issued to minority shareholders.

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

3. Significant accounting policies

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(ii) 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.

Energy Sector Business

In case of power generating Companies, revenue from energy units sold as per the terms of the Power Purchase Agreements (PPAs) and Letter of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised in accordance with billings made to consumers based on the units of energy delivered.

Revenue from the sale of coal is recognised when conclusive evidence of a sale arrangement exists, the risks and rewards of ownership passes to the purchaser including delivery of the product, the selling price is fixed or determinable, and collectability is reasonably assured. Revenue earned in the pre-production stage and related operating costs have been recorded against the carrying value of mining and exploration and development properties.

Claims for delayed payment charges and any other claims, which the Group is entitled to, under the PPA, on grounds of prudence, are accounted for in the year of acceptance.

Development of Highways

In case of companies involved in construction and maintenance of roads, toll revenue from operation is recognised on accrual basis which coincides with the collection of toll and in annuity based projects, revenue recognition is based on annuity accrued on time basis in accordance with the provisions of the Concessionaire Agreement entered into with National Highways Authority of India ('NHAI'). Claims raised on NHAI under Concessionaire Agreement are accounted for in the year of acceptance.

Airport Sector Business

In case of airport infrastructure companies, Aeronautical and Non Aeronautical revenue is recognised on an accrual basis and is net of service tax, applicable discounts and collection charges, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably.

Revenue from cargo operations is recognised at the point of departure for exports and at the point when goods are cleared in case of imports. Interest on delayed receipts from customers is recognised on acceptance.

Revenue from commercial property development rights granted to concessionaires is recognised on accrual basis, as per the terms of agreement with customers.

Annual fee computed as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for Development, Construction, Operation and Maintenance of respective airports is recognised as a charge to Gross Income.

Revenue from hotel operations comprises income by way of hotel room rent, sale of food, beverages and allied services relating to hotel and is recognised net of taxes and discounts as and when the services are provided.

Revenue from the sale of goods at duty free outlets operated by the Company is recognised at the time of delivery of goods to customers which coincides with transfer of risks and rewards. Sale are stated net of discounts, rebates and returns.

Revenue from sale of fuel is recognized when fuel is transferred to the customers and is measured based at the consideration received or receivable, net of returns and trade discounts.

Revenue from developing, operating , maintaining and managing the sites at the airport for display of advertising are recognised on the display of advertisements.

Construction Business

Construction revenue and costs are recognized by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. In the case of contracts with defined milestones and assigned price for each milestone, it recognizes revenue on transfer of significant risks and rewards which coincides with achievement of milestone and its acceptance by its customer. Provision is made for all losses incurred to the balance sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

Cost plus Contract: In case of cost plus contracts, revenue is recognized as per terms of the specific contract, i.e., cost incurred plus an agreed profit margin.

Others

- Dividend income on investments is accounted for when the right to receive the payment is established by balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.
- Income from management/ technical services is recognised as per the terms of the agreement on the basis of services rendered.
- Interest on investments and bank deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest as applicable.
- Benefits arising out of duty free scrips utilized for the acquisition of fixed assets are recognised as income once it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.
- Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.

Expenditure including pre-operative and other incidental expenses incurred by the Company on projects that are in the process of commissioning, being recoverable from the respective special purpose vehicles/subsidiaries created or to be created by the Group for carrying out these projects, are not charged to the Profit and Loss account and are treated as advances to special purpose vehicles/ subsidiaries.

(iii) Operations and Maintenance

Certain entities engaged in power generation have entered into a Long Term Service Agreements (LTSAs) for maintenance of the main plants, Operations and Maintenance Agreement for regular and major maintenance and Long Term Assured Parts Supply Agreement (LTAPSA) for supply of parts for planned and unplanned maintenance over the term of the agreements. Amounts payable under the LTSAs are charged to the Profit & Loss Account based on actual factored fired hours of the Gas Turbines during the year on the basis of average factored hour cost including Customs Duty applicable at the current prevailing rate. Periodical minimum payments are accounted for as and when due.

Operations and Maintenance Agreements have been entered by certain subsidiary companies in the road sector for operations, regular and major maintenance of the highways. Amounts payable under such agreements are charged to the Profit and Loss account on an accrual basis.

(iv) Fixed Assets

Fixed Assets are stated at cost of acquisition (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and freight, duties, levies and all other incidentals attributable to bringing the asset to its working condition for its intended use.

Development Fee recoverable as on year end, in terms of order of Ministry of Civil Aviation dated 9th February, 2009 [also vide public notice dated 23rd April 2010 issued by Airports Economic Regulatory Authority ('AERA')] towards development of aeronautical assets, is reduced from the cost of those assets. The balance portion of development fee, proportionate to aeronautical assets yet to be developed shall be accrued once the Company is entitled to it.

Assets under installation or under construction and the related advances as at the balance sheet date are shown as Capital work in progress.

Intangible Assets

In case of airport infrastructure companies, amounts in the nature of upfront fee and other costs paid to Airports Authority of India (AAI) pursuant to the terms and conditions of the Operations, Maintenance and Development Agreement (OMDA) are recognised as Intangible assets.

Highways represents commercial rights to collect toll fee in relation to roads and to receive annuity in the case of annuity based projects which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the roads on build, operate and transfer basis. It includes all direct material, labour and sub-contracting costs, inward freight, duties, taxes, obligation towards negative grant payable to NHAI, if any, and any directly attributable expenditure on making the commercial right ready for its intended use.

(v) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred for potential mineral reserves and are related to the project expenditure are recognised and reported as part of “capital work-in-progress” when one of the below conditions are met:

a. Such costs are expected to be either recouped in full through successful exploration and development of the area of interest or alternatively by its sale, or

b. When exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves, and active and significant operations in relation to the area are continuing or are planned for future.

Ultimate recoupment of the exploration expenditure carried forward is dependent upon a successful development and commercial exploitation, or alternatively, sale of the respective area. Assets are reassessed on regular basis and these costs are carried forward provided that atleast one of the conditions outlined above is met. All other exploration and evaluation expenditure is recognised as expense in the period in which it is incurred.

(vi) Leases

For Lessee:

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

For Lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the profit and loss account on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in Profit and Loss account. Initial direct cost such as legal cost, brokerage cost, etc. are recognised immediately in the Profit and Loss account.

(vii) Depreciation/ Amortisation

Tangible Assets

For domestic subsidiaries, joint ventures and associates, the Group provides depreciation on fixed assets, other than those specifically stated below, using straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 which is estimated by the management to be the estimated useful lives of the assets, except for assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold land is amortised over the tenure of the lease except in case of power plant where it is amortised from the date of commercial operation. Leasehold improvements are amortised over the primary period of the lease or estimated useful life whichever is shorter.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

For Overseas subsidiaries, joint venture companies and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, joint ventures and associates. In view of different sets of environment in which such foreign subsidiaries, joint ventures and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These companies follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, joint ventures and associates with those of the domestic subsidiaries, joint ventures and associates.

The estimated useful life of the assets considerd by such overseas entities is as follows:

Asset category	Useful life in years	
	Min	Max
Lease hold improvements	3	16
Buildings	3	10
Plant & machinery	3	15
Furniture & fixture	3	20
Software	3	3
Other tangible fixed assets	5	5
Computer, office equipment	3	20
Motor vehicles	4	7

Intangible Assets

Goodwill arising on consolidation is not amortised but tested for impairment.

Intangible assets representing upfront fees and other payments made to AAI pursuant to the terms and conditions of OMDA are amortised on a straight line method over the initial and extended periods of OMDA, as applicable.

Carriageways related to toll based projects are amortised on a units-of-usage basis whereby amortisation is calculated based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the periods within which the Group is granted the rights to operate those Carriageways. It is the Company's policy to review regularly the total projected traffic volume throughout the operating periods of respective Carriageways and accordingly allowance of amortisation is adjusted to account for any variation in the traffic volume.

Carriageways related to annuity based projects are amortised over the period of the respective Concessionaire Agreements on a straight line basis.

Intangible assets representing carriageways and airport concessionaire rights are amortised over the concession period, ranging from 17 to 20 years and 60 years respectively, which is beyond the maximum period of 10 years as specified in the Accounting Standard 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective Concessionaire agreements.

Software is amortised based on the useful life of 6 years on a straight line basis as estimated by the management.

(viii) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset.

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

(ix) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long term investments are carried at cost less provision made to recognise any decline, other than temporary, in the value of such investments. Current investments are valued at cost or fair value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition.

(x) Inventories

Inventories are valued as follows:

Raw material, components, stores and spares: Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Contract work in progress: Costs incurred that relate to future activities on the contract are recognised as contract work in progress. Contract work in progress comprises of construction cost and other directly attributable overhead valued at cost.

Traded goods: Lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Employee benefits

a. Defined Contribution Plans

Contributions paid/ payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

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

b. Defined Benefit Plan

The liability as at the balance sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the profit and loss account as an income or expense.

c. Other Long term employee benefits

Employee benefits including long term compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation method of projected unit credit carried out at each balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account as an income or expense.

d. Short term employee benefits

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

(xii) Foreign Currency Transactions

a. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange Differences

Exchange differences arising on a monetary item that, in substance, form part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2012.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. However, exchange difference in respect of accounting period commencing on or after 7th December, 2006 arising on the forward exchange contract undertaken to hedge the long term foreign currency monetary item, in so far as they relate to the acquisition of depreciable capital asset, are added to or deducted from the cost of asset and in other cases, are accumulated in “Foreign Currency Monetary Item Translation Difference Account” and amortised over the balance period of such long term asset/ liability but not beyond 31st March, 2012.

e. Translation of Integral and Non-integral foreign operation

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Any goodwill or capital reserve arising on acquisition of non integral operation is translated at closing rate.

(xiii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

(xiv) Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset , its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters’ contribution are credited to capital reserve and treated as a part of shareholders’ funds.

(xv) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India (and tax laws prevailing in the respective tax jurisdictions where the Company operates). Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the entities in the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the entities in the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The entities in the Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entities in the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The entities in the Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that entities in the Group will pay normal Income Tax during the specified period.

(xvi) Segment Reporting Policies

Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter segment Transfers:

The Group accounts for intersegment sales/ transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items:

Includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets. Also includes interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

Segment Policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

(xvii) Provisions

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

(xviii) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(xix) Shares/ Debentures issue Expenses and Premium on Redemption

With respect to Indian entities shares/ debentures issue expenses incurred are expensed in the year of issue and redemption premium payable on preference shares/ debentures are expensed over the term of such preference shares/ debentures. Both are adjusted to the Securities Premium Account to the extent permitted by Section 78(2) of the Companies Act, 1956.

(xx) Cash and cash equivalents

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

(xxi) 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 respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of the funds.

(xxii) Employee Stock Compensation Cost

In respect of HEGL, a subsidiary in Canada, officers, directors, employees and consultants are offered stock-based compensation. Measurement and disclosure of the employee share-based payment plans is done in the consolidated financial statements in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The said subsidiary accounts all stock-based payments using a fair value-based method of accounting. The fair value of each stock option granted is accounted over the vesting period. The fair value is calculated using the Black-Scholes option pricing model.

4. Notes to the consolidated accounts

(i) a. Contingent liabilities

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Corporate guarantees	5,395.96	5,924.57
Bank guarantees outstanding	1,983.54	1,839.64
Claims against the Group not acknowledged as debts	349.66	188.93
Matters relating to income tax under dispute	1.26	0.32
Matters relating to indirect taxes duty under dispute	141.44	137.14

b. In case of DIAL, with effect from June 1, 2007, the Airport Authority of India (AAI) claimed service tax on the annual fee payable to it considering same as rental from immovable property. DIAL has disputed the grounds of the levy under provisions of the OMDA. As the matter is under dispute and pending with the Hon'ble High Court of Delhi, the impact of the same, if any, has not been considered in these consolidated financial statements.

c. During the previous year ended March 31, 2010, GVPGL was granted a refund of customs duty of Rs. 69.09 crore which was paid earlier towards the import of plant and machinery. Considering that the cost of plant and machinery included the customs duty, the refund was adjusted to the cost of the asset and related depreciation expense of Rs. 11.19 crore, charged from the date of capitalisation till the date of grant of such refund, was charged to profit and loss account for the year ended March 31, 2010.GVPGL has received a refund of Rs. 59.11 crore in the previous year and current year.

During the year ended March 31, 2011, GVPGL received an intimation for Cancellation of Duty drawback refund order received in 2009-10 to the extent of Rs 9.99 crore in view of which, GVPGL has restored the capitalisation of customs duty and adjusted the cost of the asset and the related depreciation expense of Rs. 2.40 crore, chargeable from the date of capitalisation till the date of cancellation of such refund, has been adjusted with the current year depreciation. As the management based on an expert opinion believes that the intimation cannot be applied retrospectively, no adjustment has been made with regard to the refund of Rs. 59.11 crore already received by GVPGL.

(ii) Capital commitment

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	16,625.10	14,136.06

Notes forming part of the Consolidated Accounts

(iii) Equity shares

a. Pursuant to the Resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re. 1 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 aggregating to Rs. 1,400 crore.

b. Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of equity shares of the Company of Rs. 2 each into 2 equity shares of Re. 1 each.

(iv) Preference shares issued by a subsidiary company

a. During the year ended March 31, 2010, GEL has issued 200,000,000 non-cumulative redeemable preference shares of Rs. 10 each fully paid up amounting to Rs. 200 crore along with a securities premium of Rs. 100 crore to ICICI Bank Limited. GEL shall redeem 5% of the subscription amount outstanding under each tranche on the completion of 13th, 24th, 36th and 48th month from the date on which the subscription money was remitted and remaining outstanding amount shall be redeemed on December 31, 2014. The applicable yield shall be 14% per annum for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 1, 2011 onwards, the applicable yield shall be 14% or ICICI Bank Benchmark Advance Rate plus the applicable liquidity premia plus 0.25% per annum, whichever is higher. The 5% of the subscription amount outstanding has been redeemed on the completion of 13th month during the year ended March 31, 2011.

b. During the year, GAHL has issued 2,298,940 non-cumulative compulsory convertible participatory preference shares (CCPS) bearing 0.0001% dividend on the face value of Rs. 1,000 each fully paid up amounting to Rs. 229.89 crore at a premium of Rs. 2,885.27 each totalling to Rs 663.31 crore to SBI Infrastructure Investments 1 Limited (investor), for funding and consolidation of the airport segment. GIL and GAHL have provided the investors various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreement and Investment Agreement.

c. GMR Energy Limited ('GEL') during the year has issued following fully paid up Compulsorily Convertible Cumulative Preference Shares ('CCCPS'):

(Rs. in crore)

Particulars	No. of. Preference Shares	Amount
Claymore Investments (Mauritius) Pte Limited	9,300,000	930.00
IDFC Private Equity Fund III	2,500,000	250.00
Infrastructure Development Finance Company Limited	500,000	50.00
IDFC Investment Advisors Limited	500,000	50.00
Ascent Capital Advisors India Private Limited	500,000	50.00
Argonaut Ventures	650,000	65.00
		1395.00

The preference shares are convertible upon the occurrence of qualifying initial public offering (QIPO) of GEL at an agreed internal rate of return (IRR). In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require GIL to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR.

(v) Reserves and surplus

a. Capital reserve (Government grant):

(i) During the financial year 2005-06, GHIAL had received a grant of Rs. 107 crore from Government of Andhra Pradesh towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project, and the Group's share amounting to Rs. 67.41 crore has been included in Schedule 2 – Reserves and Surplus as Capital Reserve.

(ii) During the year, GCORRPL has received project support fund of Rs. 28.44 crore from the Government of Tamil Nadu (GoTN) as per the concession agreement and the Group's share amounts to Rs. 25.53 crore. The total project Support Fund is Rs. 300 crore and the same will be disbursed on quarterly basis based on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 30.2.1 of the concession agreement entered into by GCORRPL with GoTN. Group's share of project support fund of Rs. 25.53 crore has been included in Schedule 2 – Reserves and Surplus as Capital Reserve.

b. Capital reserve on Consolidation

During the previous year, GEL issued 15,000,000 equity shares of Rs. 10 each at a premium of Rs. 41.32 per equity share to the Welfare Trust for GMR Infra Employees. As a result of the above, GIL ownership in GEL was reduced to 97.91% and the resulting gain on dilution amounting to Rs. 42.87 crore has been recorded as increase in the capital reserve on consolidation.

c. Capital reserve on acquisition

GAPL purchased the aircraft division of GMR Industries Limited (GIDL) under slump sale on October 01, 2008 for a purchase consideration of Rs. 29 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of Rs. 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognized as capital reserve.

d. During the year ended March 31, 2009, GEL had issued 4,250 secured redeemable non convertible debentures of Rs. 1,000,000 each to Axis Bank Limited which were due for redemption on October 6, 2013. The redemption premium of Rs 23.82 crore was provided in the profit & loss account during the year ended March 31, 2009 and redemption premium Rs.77.28 crore was adjusted against the security premium account during the year ended March 31, 2010 in the financial statements of GEL. During the current year the Company has negotiated with the lenders and redeemed the debentures at a premium of Rs. 54.49 crore. The excess provision towards redemption premium of Rs. 33.80 crore has been adjusted against the security premium account based on a legal opinion and the balance provision towards redemption premium of Rs. 12.80 crore has been recognised as other income.

(vi) Foreign currency transactions

The Ministry of Corporate Affairs, Government of India has vide its Notification No GSR 225 (E) dated March 31, 2009 announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

The Group has, pursuant to the adoption of principles of Companies Accounting Standard (Amendment) Rules 2009, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets. Accordingly,

a. exchange gain amounting to Rs. 23.67 crore (2010: Rs. 90.12 crore) have been adjusted to the cost of depreciable asset in these consolidated financial statements.

b. an amount of Rs. 7.91 crore, being the exchange loss (2010: Rs. 7.40 crore) on long term monetary asset has been accumulated in the Foreign Currency Monetary Items Translation Difference Account and is being amortised in the profit and loss account over the balance period of such long term asset but not beyond March 31, 2012. The unamortised balance as at March 31, 2011 amounts to a debit balance of Rs. 7.38 crore (2010: Rs. 0.53 crore).

(vii) Deferred payment liability

a. Negative grant

In accordance with the terms of the concession agreements entered into with National Highways Authority of India ('NHAI') by GACEPL, GJEPL and GUEPL dated November 16, 2005, February 20, 2006 and April 19, 2006 respectively, the Companies have an obligation to pay an amount of Rs. 507.96 crore by way of Negative Grant to NHAI and pursuant to which an amount of Rs. 280.10 crore has been paid as at March 31, 2011 and the balance amount of Rs. 227.86 crore has been disclosed as a deferred payment liability.

(Rs. in crore)

Name of subsidiary	Date of Concession Agreement	Total Negative grant	March 31, 2011	March 31, 2010
GACEPL	16.11.2005	174.75	101.36	118.83
GJEPL	20.2.2006	82.70	-	-
GUEPL	19.4.2006	250.51	126.50	131.53
Total		507.96	227.86	250.36

Amount payable within 1 year is Rs. 17.48 crore (2010: Rs. 22.49 crore)

b. Utilisation fees

Pursuant to the implementation agreement between Undersecretariat for Defense Industries (Administration) and consortium consisting of Limak Insaat Sanayi Ve Ticaret A.S., GIL & Malaysian Airport Holding Berhad, utilisation fee of

Euro 1,932 million was payable in annual installments over the final 17 years of the 20 year concession period, starting from 2011. The concession period has been extended by a total of 665 days through February 2030 for an additional concession fee totalling approximately Euro 244 million, which is accounted as below:

(i) Depreciation/ amortisation for the year ended March 31, 2011 includes Rs. 71.92 crore towards amortisation of utilisation fees as per units of usage method, based on revenue projections (2010: Rs. 54.17 crore) with a corresponding credit to utilisation fees liability.

(ii) Utilisation fees liability as at March 31, 2011 amounts to Rs. Nil (2010: Rs. 83.56 crore) as Rs. 31.03 crore is paid in excess of the charge during the current year. Amount payable to administration within 1 year is Rs. 191.62 crore (2010: Rs. 83.56 crore).

(viii) Sundry debtors

a. In case of GPCL, claims/ counterclaims arising out of the PPA and Land Lease Agreement (LLA) in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of sale of energy including reimbursement towards interest on working capital, MAT, rebate, start/stop charges and payment of land lease rentals to TNEB respectively were pending settlement/reconciliation with TNEB. In this regard, GPCL had approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/counterclaims. TNERC had vide its order dated April 16, 2010 (hereinafter referred to as "order") directed GPCL to submit all of its claims calculated in accordance with the directions set forth in the order issued by TNERC within a period of two months from the date of the order. GPCL has filed its claim on April 30, 2010 amounting to Rs. 481.68 crore of which, GPCL had recognised Rs. 79.55 crore as income in the books of account in the respective year of claim.

TNEB has filed a petition against TNERC Order in Appellate Tribunal for Electricity (APTEL). APTEL issued an interim Order on November 19, 2010 directed TNEB to make payment in various installments in respect of which GPCL had received a deposit of Rs.280 crore against such claims up to March 31, 2011. However, pending acceptance of claims by TNEB, and in accordance with the Group's accounting policy, balance claims aggregating to Rs. 402.13 crore have not been recognized in these consolidated financial statements and amount recovered is considered as advance in the books of accounts pending adjudication of petition before the Appellate Tribunal. In accordance with the Group's accounting policy, claims raised subsequent to April 30, 2010 regard to Land Lease Rentals and Start and Stop Charges will be considered as revenue on acceptance from TNEB and adjudication of existing litigation pending before the Appellate Tribunal.

b. The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 (the Order) invoked Section 11 of the Electricity Act, 2003 and directed GEL to supply power to the State Grid during the period 1st January, 2009 to 31st May, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. GEL had an existing contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied during January 2009 has been made in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 44.04 crore.

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, revenue recognition for the four months ended June 5, 2009 has been made, on a prudent basis, as per the rate specified in the Order. Accordingly, the differential amount of Rs. 63.13 crore, considering the maximum rate prescribed by KERC has not been recognised in the books as revenue.

The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, has dismissed the petition of GEL challenging the Order invoking section 11(1) of the Electricity Act, 2003 with a direction that if the Order has any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Act empowered to offset the adverse financial impact in such manner as it considers appropriate. Subsequent to the year end, GEL has filed a Special Leave Petition before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim order staying the operation of the said Order and to direct ESCOM to pay minimum rate prescribed by KERC.

In view of the recommendation of KERC on the interim directions of the Hon'ble High Court of Karnataka and the remedy provided by the Hon'ble High Court of Karnataka in the Order dated March 26, 2010, the management is confident that there will not be any adverse financial impact on the Group with regard to these transactions and no adjustment has been made in these consolidated financial statements pending final resolution of the matter.

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(ix) Operating income

a. In case of airport infrastructure companies, the Passenger Service Fee (PSF) charged from the departing passengers has two components, viz., Facilitation Component (FC) and Security Component (SC). In accordance with the various government orders issued from time to time, the PSF collections are held by the airport infrastructure companies in fiduciary capacity on behalf of the Government of India and are deposited in an escrow account utilised for meeting the security related expenses. It is also stipulated in the escrow account agreement that Ministry of Civil Aviation (MoCA) will have supervening powers to direct the escrow bank on the issues regarding operations as well as withdrawal from the escrow account.

The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in Standard operating procedures and are subject to audit by the Comptroller & Auditor General of India (C&AG).

Thus following are the details of PSF (SC) balances, which have not been audited by the auditors of airport infrastructure Companies.

(Rs. in crore)

Description	March 31, 2011		March 31, 2010	
PSF (SC) (net of collection charges)	253.88		216.73	
Interest and other income	2.49	256.37	1.55	218.28
Less: Expenses		243.34		230.17
Net Income (expenses)		13.03		(11.89)
Add: Surplus brought forward		187.60		199.49
Secured loan from Corporation bank		190.00		-
Total		390.63		187.60
Fixed assets (Net) (including capital work in progress)		292.33		266.23
Receivables including sundry debtors		62.89		23.18
Other assets*		175.22		46.23
Cash and bank balance in escrow account (including term deposits)		10.43		28.80
		540.87		364.44
Less: Other liabilities		150.24		176.84
Total		390.63		187.60

* Includes amount of Rs. 33.23 crore, paid under protest, related to taxability of passenger service fees (service component) in DIAL.

b. During the previous year, pursuant to certain clarifications issued by the MoCA, Government of India per circular no. 13028/ 001/ 2009-AS dated January 08, 2010 (as amended vide clarification dated April 16, 2010), certain expense items of Rs. 22.18 crore (including Rs. 12.15 crore incurred upto March 31, 2009), relating to personnel cost and operating expenses which were previously not recorded in the profit and loss account of DIAL were recognised as an expense. Further in case of GHIAL, certain security related expenditure amounting to Rs. 1.73 crore and fixed assets amounting to Rs. 10.65 crore, transferred to PSF (SC) account during earlier years were charged back/ reinstated in the books of GHIAL.

c. The airport infrastructure Companies have represented to MoCA for allowing certain expenses such as land side security cost, security related consultancy expenses and other administration costs which are presently not covered as per above circulars and currently these expenses debited to PSF (SC) Account are Rs. Nil (2010 : Rs. 42.30 crore). The management is hopeful of obtaining the permission from MoCA to meet these expenses through PSF (SC) and accordingly, no further adjustments have been considered necessary in the consolidated financial statements as at March 31, 2011.

d. Revenue earned by GHIAL for the year ended March 31, 2010 was net of service tax on User Development Fee (UDF) pertaining to previous year amounting to Rs. 12.39 crore. Expenses during the year ended March 31, 2010 include depreciation of Rs. 6.43 crore, personnel cost of Rs. 0.50 crore and finance charges of Rs. 6.06 crore under respective accounts pertaining to previous years.

e. DIAL entered into contracts with various vendors in connection with construction of Terminal 3 and its related assets. Terminal 3 has been completed and capitalized during the current year. In view of the significant size of the contracts and other complexities, DIAL is in the process of reconciling the balances with the aforesaid vendors and as such, has capitalized the said cost on the basis of its best estimate. The management believes that differences, if any, arising out of such reconciliation, will not be material to the consolidated financial statements.

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f. The Group has an investment of Rs. 276.31 crore (including loans of Rs. 59.72 crore) in GACEPL as at March 31, 2011. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to a loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on an internal assessment and a legal opinion, the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the management is of the view that the carrying value of net assets (after providing for losses till date of Rs. 81.80 crore) as regards investment in GACEPL as at March 31, 2011 is appropriate.

(x) Others

a. There are no micro and small enterprises, to which the Group owes dues, or with which the Group had transactions during the year, based on the information available with the Group, which has been relied upon by the Auditors.

b. DIAL has received advance development costs of Rs. 620.13 crore (2010: Rs. 409.06 crore) from various Developers at Commercial Property District towards development of common infrastructure at Commercial Property district. DIAL has no right to escalate the development cost and in case, any portion of the advance development cost is not utilized by DIAL towards development of any infrastructure facility during the course of initial term of agreement, it shall be returned to the Developer upon the earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As of March 31, 2011, DIAL has incurred development expenditure of Rs 156.60 crore (2010: Rs 34.91 crore) which has been adjusted against the aforesaid advance.

c. SGH, a joint venture of the Group, has dismissed 226 workers in the previous year without payment of any termination benefits. There was a collective lawsuit filed by dismissed employees and the local court has decided against SGH. SGH has filed an appeal before the Supreme Court. During the year, Supreme Court has finally decided against SGH in 2 out of 4 cases and ordered SGH to pay compensation of 16 month gross salary for each worker amounting to Euro 1.4 million. The decision is yet to be received for the remaining 2 cases with a total additional potential liability of Euro1.3million. The Group made a total provision of Euro 2.7 million in its consolidated financial statements for the year ended March 31, 2011.

d. As at March 31, 2010, the Group held 34.17 % equity investment in Homeland Energy Group Limited (HEGL) and was considered as an associate of the Group effective June 5, 2009 with the participation of the Group's representative on the Board of HEGL. During the year ended March 31, 2011, the Group has made a further investment in equity shares of HEGL, whereby, it has become a subsidiary of the Group effective July 12, 2010. The carrying cost of investment in HEGL as at March 31, 2011 amounting to Rs. 167.94 crore, substantially exceeds the net worth and the market value of shares in HEGL. Additionally, an amount of Rs. 153.48 crore has been given as loan to HEGL

HEGL commenced commercial production of coal from its Kendal project in South Africa from October 1, 2009, and also owns an advanced-stage coal development project in South Africa in addition to number of earlier-stage exploration properties in South Africa and Botswana.

The financial statements of HEGL for the year ended December 31, 2010, contains a commentary on the continuing operating losses and working capital deficiency arising mainly on account of high capital cost incurred in respect of plant modification and other development projects, and the possible impact on the assumption of "Going Concern" in the preparation of such financial statements. HEGL has negotiated agreements with certain suppliers and contractors to extend normal creditor payment terms.

The Group company's investment in the said subsidiary is for long term strategic requirements to meet the fuel needs of the power sector subsidiary companies. HEGL is in a period where high capital costs are being incurred, while commissioning issues with respect to the recent plant modifications have been experienced. The management is monitoring these resources closely and is confident that HEGL will achieve profitable operations in the foreseeable future. Considering that these mines have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL, the management is of the view that such shortfall in the net worth/decline in market value of shares in HEGL is purely temporary in nature and accordingly, the management is of the view that the carrying value of net assets of Rs. 308.19 crore, after providing for losses till December 31, 2010 (considering that HEGL along with the subsidiaries and joint ventures is consolidated on a three months lag) , as regards investment in HEGL as at March 31, 2011 is appropriate.

e. The Company, through its step-down subsidiary, GEGL had entered into necessary arrangements to acquire 50% economic stake in InterGen. N.V. and had subscribed Rs.1,874.13 crore (USD 415.18 million) in Compulsory Convertible Debentures (CCD), issued for this purpose, by GMR Holdings Malta Limited (GHML), a step down subsidiary of GMR Holdings Private Limited ('GHPL'), the Company's Holding Company. The financial results of InterGen NV had not been considered in the

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consolidated financials of the Company pending conversion of such CCDs. GHML had funded the investment in InterGen N.V. through a mix of external borrowings and the balance was funded through CCDs as above. The carrying value of the investment in the CCDs along with the interest accrued thereon as at March 31, 2011 is Rs. 1,909.83 crore (USD 423.09 million).

During the year ended March 31, 2011, GIML, a wholly owned subsidiary of GHML, and which, through its step-down subsidiary, held 50% economic stake in InterGen N.V. as stated above, entered into an agreement to sell the investment in InterGen N.V. for USD 1,232 million to Overseas International Inc. Limited, an associate of China Huaneng Group.

In April 2011, the transaction was consummated for the aforesaid consideration after obtaining the necessary regulatory approvals. On consummation of the transaction, GHML has repaid the loans from the banks in full and CCDs issued to GEGL in part and the Group has recorded a loss of Rs 938.91 crore, which is disclosed as an exceptional item in the consolidated financial statements.

f. In accordance with the scheme of arrangement under section 391 to 394 of the Companies Act, 1956, as approved by the Hon'ble high court of Andhra Pradesh vide order dated June 22, 2010, the hotel division of the Company, has been transferred to and vested with the GMR Hotels and Resorts Limited (GHRL), the subsidiary Company, with effect from appointed date April 01, 2009. The said order has been filed with Registrar of Companies, Andhra Pradesh on September 25, 2010.

   The standalone financial statements of the subsidiaries has given effect to the scheme, however the scheme does not have any impact on these consolidated financial statements of the Group.

g. During the previous year, DIAL had made an application to the Reserve Bank of India for extension of time limit for allotment of shares towards the foreign inward remittance of Rs. 250 crore, received as shareholders advance from its foreign shareholders (Fraport AG Frankfurt Airport Services Worldwide Rs. 125 crore and Malaysia Airports (Mauritius) Private Limited Rs. 125 crore) and has received the extension for the aforesaid allotment upto September 30, 2010. The shares have been allotted during the year on March, 2011.

h. Borrowing cost capitalised during the year is Rs. 578.03 crore (2010: Rs.545.37 crore).

i. The Group had acquired IPCPL during May 2009. IPCPL had impaired and charged to profit & loss Account during 2007, an amount of SGD 42.40 million (Rs.140.33 crore) paid as advance to EPC Vendors under an EPC Contract for its 765 MW gas based power plant as it was unable to secure the supply and transport of gas. Subsequent to its acquisition, the Group has revived the project. IPCPL has been able to secure the supply and transport of gas and expects to achieve financial closure for the project by June 30, 2011. IPCPL has renegotiated with the EPC Vendors whereby, the EPC Vendors have agreed during August 2010 to give credit for the advance paid by IPCPL. The advance paid has been restored with reversal of impairment loss accounted earlier and is disclosed as an exceptional item in these consolidated financial statements for the year ended March 31, 2011.

j. GIL has given an interest free loan of Rs. 115 crore (2010: Rs. Nil) to Welfare Trust of GMR Infra Employees. Based on the audited financial statements as at March 31, 2011, the trust has utilised the proceeds of the loan received from GIL in the following manner:

(Rs. in crore)

Particulars	Amount
Equity shares of GIL	98.05
Equity shares of GAHL	11.28
Investment in mutual funds	5.67
Total	115.00

k. Pursuant to a restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company has transferred its entire shareholding in GEL to GREL, a subsidiary of the Company, at cost.

l. KSPL, a subsidiary of the Company, has acquired land for development of Special Economic Zone and initiated various rehabilitation and resettlement initiatives thereafter for relocating the inhabitants residing in the land acquired. The amount of expenditure incurred by the company towards rehabilitation and resettlement initiatives amounting to Rs. 42.22 crore has been treated as part of the land acquisition cost and is classified under capital work-in-progress. Considering that the negotiations with the beneficiaries towards obtaining possession of land necessitating the rehabilitation is in progress no provision has been made towards the potential cost that is likely to be incurred by KSPL towards rehabilitation and settlement.

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(xi) Derivative instruments:

Interest rate swaps outstanding as at the balance sheet date:

a. In case of DIAL, as per the conditions precedent to disbursement of loan, the DIAL has entered into interest rate swap (IRS) agreements from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 350 million. Since the critical terms of the IRS and the principal term loan are same, based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan is not expected to be material and accordingly no adjustments have been made in the consolidated financial statements

<table>
<tr><th>Particulars of Derivatives</th><th colspan="2">Purpose</th></tr>
<tr><td rowspan="6">Interest rate swap outstanding as at balance sheet date: USD 350 million</td><td colspan="2">Hedge of variable interest outflow on External Commercial Borrowing (ECB). Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 month's LIBOR:</td></tr>
<tr><td>ECB Amount (USD)</td><td>Interest Rate</td></tr>
<tr><td>100 million</td><td>4.99%</td></tr>
<tr><td>75 million</td><td>2.76%</td></tr>
<tr><td>25 million</td><td>1.98%</td></tr>
<tr><td>150 million</td><td>1.96%</td></tr>
</table>

b. GAPL has entered into IRS contract with Axis Bank from floating rate of interest to fixed rate of interest against its foreign currency loan outstanding amount of USD 20,599,600 covering the period from Oct 12, 2010 to Oct 06, 2017. Based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan is not expected to be material and accordingly no adjustments have been made in the consolidated financial statements.

c. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan, of USD 125 million, GHIAL has entered into swap agreement from floating rate of interest to fixed rate of interest covering the period of the foreign currency loan from September 10, 2007 to April 01, 2024. Since the critical terms of the IRS and the underlying foreign currency loan are same, based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

d. ISG has entered into an IRS agreement with ABN AMRO Bank NV (Now Royal Bank of Scotland) for swapping floating rate of interest to fixed rate of interest for its Loan of Euro 336 million covering the period June 30, 2008 to June 29, 2018.

   The net impact of the mark to market loss on valuation of the IRS amounting to Euro 8,839,000 (equivalent 40% share in Rs. 23.83 crore) had been provided, during the year ended March 31, 2010 in the consolidated financial statements of the Group.

   Based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

e. GIML has entered into swap agreement with ICICI Bank UK PLC for swapping floating rate of interest to fixed rate of interest for its GBP denominated loan equivalent of USD 76.5 million covering the period August 17, 2009 to August 11, 2011.

   The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to USD 434,241 (Rs.2.10 crore) was provided in the consolidated financial statements. During the current year the loss recognized towards the ineffective portion in the previous year has been reversed based on internal assessment/ external valuation carried out by the management.

   Derivative instrument and un-hedged foreign currency exposure for monetary items is as follows:

   Un-hedged foreign currency exposure:

Currency	Cash and balance with banks	Fixed Assets and Investment	Recievables	Payable	Loans
Australian Dollar	-	-	-	64,312	-
	-	-	-	-	-

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Currency	Cash and balance with banks	Fixed Assets and Investment	Recievables	Payable	Loans
Canadian Dollar	9,270,453	63,112,957	19,757,450	13,998,212	312,285
	-	-	(32,000,000)	-	-
Swiss Franc	584	-	-	331,726	-
	-	-	-	-	-
Chinese Yuan	212,472	-	53,363	-	-
	-	-	-	(15,900)	-
Euro	13,776,533	145,517,686	21,377,346	29,004,283	154,484,150
	(24,651,130)	(158,148,267)	(73,197,841)	(73,447,388)	(135,311,710)
Great British Pound	223,581	2,131,795	3,221,675	2,498,560	-
	(1,423,754)	(2,512,647)	(685,899)	(2,383,635)	-
Hong Kong Dollor	-	-	-	-	-
	-	-	-	(863,174)	-
Indonesian Rupiah	1,004,811,881	195,663,366	-	-	-
	(994,377,172)	(183,463,838)	-	-	-
Malaysian Ringgit	-	-	-	-	-
	-	-	-	(179,257)	-
Nepalese Rupee	57,678,720	963,588,090	8,600,000	15,060,320	-
	(1,692,834)	(798,112,413)	(10,672,000)	(66,014,400)	-
Singapore Dollar	2,430,039	113,028,354	2,234,974	1,597,216	-
	(302,475)	(43,163,225)	(149,242)	(636,988)	-
Turkish Lira	2,352,377	-	-	-	-
	-	-	-	-	-
United States Dollar	95,046,538	377,763,492	49,072,833	250,363,299	712,476,456
	(161,211,001)	(318,662,082)	(47,834,403)	(9,360,692)	(642,359,955)
Rs. in crore	578	3,379	476	1,401	4,185
	(895)	(2,755)	(666)	(510)	(3,746)

Note: Previous year figures are mentioned in brackets.

Forward contract outstanding as at balance sheet date:

GEL	USD 1 Million (Rs. 4.51crore)	Hedge of payables with respect to fuel purchase
GKEL	CNY 2,795,527,952 (Rs. 1,930.72 crore)	Forward contract for hedging of highly probable future cash outflows

(xii) Employee benefits

a. Defined contribution plan

Contribution to provident and other funds under Capital work in progress (Schedule 6), Generation and operating expenses (Schedule 16) and Administration and other expenses (Schedule 17) are as under:

(Rs. in crore)

Particulars	2011	2010
Contribution to provident fund	14.08	10.77
Contribution to superannuation fund	6.59	5.50
	20.67	16.27

b. Defined benefit plan

Certain entities in the Group are covered by a funded defined benefit gratuity plan. As per the scheme, an employee who has completed five years or more of service gets gratuity equivalent to 15 days salary (last drawn salary) for each completed year of service.

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The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Profit and loss Account
Net employee benefit expense (Rs. in crore)

Particulars	2011	2010
Current service cost	3.98	2.34
Interest cost on benefit obligation	0.70	0.34
Expected return on plan assets	(0.86)	(0.56)
Net actuarial (gain)/ loss recognised	(0.46)	(0.53)
Past service cost	0.14	0.29
Net benefit expense	3.50	1.88
Actual return on plan assets	0.95	0.63

Balance sheet (Rs. in crore)

Particulars	2011	2010
Defined benefit obligation	13.48	8.48
Fair value of plan assets	12.91	8.38
Less: Unrecognised past service cost	-	-
Plan asset/ (liability)	(0.57)	(0.10)

Changes in the present value of the defined benefit obligation: (Rs. in crore)

Particulars	2011	2010
Opening defined benefit obligation	8.48	4.25
New acquisitions	0.76	0.16
Interest cost	0.70	0.34
Current service cost	3.98	2.34
Past service cost	0.14	0.29
Benefits paid	(0.21)	(0.04)
Adjustment on transfer	-	1.60
Actuarial (gains)/ losses on obligation	(0.37)	(0.46)
Closing defined benefit obligation	13.48	8.48

Changes in the fair value of plan assets are as follows: (Rs. in crore)

Particulars	2011	2010
Opening fair value of plan assets	8.38	5.58
New acquisition	0.54	0.20
Expected return on plan assets	0.86	0.56
Contributions by employer	3.25	0.98
Benefits paid	(0.21)	(0.04)
Actuarial gains/ (losses) on plan assets	0.09	0.07
Adjustment on transfer	-	1.03
Closing fair value of plan assets	12.91	8.38

The Group expects to contribute Rs. 1.14 crore (2010: Rs. 1.19 crore) towards gratuity fund in 2011-2012.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2011	2010
	%	%
Investments with insurer managed funds	100	100

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The principal assumptions used in determining gratuity obligation:

Particulars	2011	2010
	%	%
Discount rate	8	8
Expected rate of return on assets	8	8
Expected rate of salary increase	6	6
Employee turnover	5	5
Mortality Rate	Refer Note 3	Refer Note 3

Notes :

1. The estimates of future salary increases, considered in actuarial valuation, take into consideration for inflation, seniority, promotion and other relevant factors.
2. The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.
3. As per LIC (94-96) Ultimate Mortality Table.

Amounts for the current and prior periods are as follows: (Rs. in crore)

Particulars	Gratuity			
	2011	2010	2009	2008
Defined benefit obligation	13.48	8.48	4.25	2.87
Plan assets	12.91	8.38	5.58	3.30
Surplus/ (deficit)	(0.57)	(0.10)	1.33	0.43
Experience adjustments on plan liabilities	(0.37)	(0.46)	(0.51)	(0.54)
Experience adjustments on plan assets	0.09	0.07	0.02	(0.08)

c. Leave encashment liability provided based on actuarial valuation amounts to Rs. 16.50 crore (2010: Rs. 11.52 crore) as at March 31, 2011.

(xiii) Leases

a. Finance lease

The Group has entered into finance lease arrangements in respect of certain assets for periods of 3 to 5 years. The lease has a primary period, which is non-cancellable. The agreements provide for revision of lease rental in the event of changes in taxes, if any, leviable on the lease rentals. There are no exceptional/restrictive covenants in the lease agreements.

(Rs. in crore)

Particulars	Minimum lease payment	Present value of minimum lease	Minimum lease payment	Present value of minimum lease
	As at March 31, 2011		As at March 31, 2010	
(i) Payable not later than 1 year	1.03	0.98	1.68	1.58
(ii) Payable later than 1 year and not later than 5 years	1.29	0.90	2.08	1.62
(iii) Payable later than 5 years	-	-	-	-
Total – (i)+(ii)+(iii) = (iv)	2.32	1.88	3.76	3.20
Less: Future finance charges (v)	0.44	-	0.56	-
Present value of minimum lease payments [(iv) – (v)]	1.88	-	3.20	-

Lease payment made during the year Rs.1.68 crore (2010: Rs. 1.66 crore).

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b. Operating leases

The Group has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipments and certain non-cancellable operating lease agreements towards office premises and hiring office equipments. The lease rentals charged during the year (included in Schedules 6, 16 and 17) and the maximum obligation on the long term non-cancellable operating lease payable as per the agreements are as follows:

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Payment		
Lease rentals under cancellable leases and non cancellable leases	85.58	64.12
Receipt		
Lease rentals under cancellable leases	0.79	0.74
Obligations on non-cancellable leases:		
Not Later than one year	16.54	2.51
Later than one year and not later than five years	62.51	0.71
Later than five years	87.14	10.50

(xiv) Earnings Per Share (EPS)

(Rs. in crore, except for share data)

Particulars	March 31, 2011	March 31, 2010
Nominal value of equity shares (Re. per share)	1	1
Weighted average number of equity shares outstanding at the end of the year	3,880,098,989	3,661,715,973
Net (loss)/profit after minority interest and share of profits/ (losses) of associate (Rs.in crore)	(929.64)	158.40
EPS – Basic and Diluted (Rs.)	(2.40)	0.43

Notes:

a. As at March 31, 2011, Rs. 2,250 (2010: Rs. 2,750) was receivable towards Equity Shares and for the computation of weighted average number of Equity Shares outstanding at the end of the year, these have been considered as partly paid-up shares.

b. The Company does not have any dilutive securities.

(xv) Deferred tax

Deferred tax asset/ (liability) comprises mainly of the following:

(Rs. in crore)

S.No	Particulars	March 31, 2011		March 31, 2010	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
1	Depreciation	-	819.49	-	521.01
2	43B disallowances	2.34	-	1.19	-
3	Carry forward losses	70.08	-	112.50	-
4	Carry forward depreciation	777.33	-	453.33	-
5	Intangibles (Airport concession rights)	76.93	-	-	-
6	Others	44.23	-	34.64	0.18
	Total	970.91	819.49	601.66	521.19
	Deferred tax asset/ (Deferred tax liability) (net)	151.42		80.47	
	Change for the year		(70.95)		(99.62)
	Foreign currency translation difference		(2.85)		1.06
	Charge/(credit) for the year		(73.80)		(98.56)

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a. In case of GPCL, GTAEPL and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, 1961, deferred tax has not been recognised by these Companies.

b. GHIAL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income Tax Act, 1961 with regard to income from airport operation. Considering that GHIAL had brought forward losses of Rs. 59.83 crore and unabsorbed depreciation of Rs. 748.55 crore as at March 31, 2011 under Income Tax Act, 1961, the management, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2018-19.

   GHIAL has recognised deferred tax asset (net) amounting to Rs. 102.89 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management, based on internal assessment and legal opinion, believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income as it is entitled to levy regulated charges at the Airport as per the Concession Agreement read with the orders of Airport Economic Regulatory Authority which ensure a reasonable rate of return to the airport operator, considering the fair rate of return on regulatory assets base, operations and maintenance expenses, depreciation and taxes.

   Based on an independent expert's opinion, the aforementioned net deferred tax asset has been recognised in respect of all the timing differences which have originated up to March 31, 2011 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

c. In case of PT BSL, deferred tax asset has not been recognised on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability.

d. GVPGL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2006-07, under Section 80IA of the Income Tax Act, 1961 with regard to income from generation of power. Considering that GVPGL had brought forward business loss of Rs. 77.54 crore and Unabsorbed depreciation of Rs. 577.06 crore as at April 1, 2010 under Income Tax Act, 1961, the management, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2015-16.

   GVPGL has recognised deferred tax asset/liability in respect of all the timing differences which have originated up to March 31, 2011 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

   During the previous year ended March 31, 2010, based on an expert opinion, the GVPGL had recognised deferred tax asset amounting to Rs. 147 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income in view of the power pricing mechanism in the PPA entered into with the Andhra Pradesh Power Distribution Companies for supply of 370MW out of the total capacity of 387.625 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by GVPGL with Reliance Industries Limited and Niko (Neco) Limited on April 24, 2009 for supply of natural gas for a period of 5 years pursuant to allocation of natural gas from KG D-6 being made available to GVPGL under firm allocation basis by the Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated November 18, 2009.

(xvi) Provisions

(Rs. in crore)

Particulars	As at April 1, 2010	Provision made during the year	Amount written back during the year	Amount used during the year	As at March 31, 2011
Provision for operations and maintenance	20.09	13.27	3.83	9.31	20.22
	(46.69)	(9.75)	(33.36)	(2.99)	(20.09)
Provision for voluntary retirement compensation	170.88	-	-	32.67	138.21
	(-)	(250.88)	(-)	(80.00)	(170.88)

Note: Previous year figures are mentioned in brackets.

a. During the previous year, GEL based on negotiations with the operations and maintenance contractor, decided to enter into a new scope of work for the power plant by terminating the existing contract pursuant to the management's decision to relocate the barge-mounted power plant to Kakinada (Andhra Pradesh) and conversion of existing naphtha based power plant to a natural gas source power plant and the new scope of work being considered in this regard under operation and maintenance. Accordingly the amount accrued as a liability of Rs. Nil (2010 : Rs. 12.76 crore) had been written back to profit and loss Account and is disclosed under Schedule 15 as provisions no longer required, written back.

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b. GTTEPL has written back an amount of Rs. 3.83 crore being the provision towards periodic maintenance charges no longer required. Further during the year ended March 31, 2010, GTTEPL had written back an amount of Rs. 20.60 crore being the provision towards periodic maintenance charges, based on the survey done by an independent engineer appointed by the NHAI and the revised cost estimates submitted by Operation & Maintenance contractor.

c. During the previous year, DIAL has provided Rs. 250.88 crore towards Voluntary Retirement Compensation (VRC) on account of reimbursement of VRC payable to AAI on expiry of the operational support period on May 2, 2009. The VRC has been recognised as an intangible asset and is being amortised over the period of Airport concession rights i.e. 60 years.

(xvii) Information on Joint Ventures as per Accounting Standard – 27

Name of the Joint Venture	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2011	March 31, 2010
ISG	Turkey	40.00%	40.00%
SGH	Turkey	29.00%	29.00%
LGCJV	Turkey	50.00%	50.00%
LGM	Turkey	40.00%	40.00%
RCMEPL	India	17.03%	-
TVS GMR	India	30.87%	-
MGATL	India	31.50%	-
MGECPL	India	31.50%	31.50%
TFSPL	India	21.41%	-
DAFFPL *	India	13.92%	33.89%
TIM Delhi	India	26.71%	-
DASPL *	India	26.77%	53.79%
DFSPL	India	21.41%	21.52%
DSSHPL	India	21.41%	21.52%
DDFSPL	India	26.71%	26.84%
APFTAL	India	25.20%	-
WAITSPL	India	13.92%	13.99%
CDCTMIPL**	India	13.92%	13.99%
DCSCPL**	India	13.92%	13.99%
DAPSPL	India	26.71%	26.84%
NML	South Africa	27.34%	-
TMR	South Africa	27.34%	-

* Considered as Subsidiary in the previous year
** Considered as Associate in the previous year

The Group's aggregate share of each of the assets, liabilities, income and expenses, etc. (after elimination of the effect of transactions between the Group and the joint ventures) related to its interests in the joint ventures, as included in these consolidated financial statements are as follows:

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Assets		
Fixed assets	1,167.12	905.33
Capital work-in-progress including capital advance	116.82	79.13
Deferred tax asset (net)	-	17.46
Current assets, loans and advances		
Inventories	47.10	12.65
Sundry debtors	69.98	67.78

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(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Cash and bank balances	180.42	170.27
Other current assets	4.86	0.01
Loans and advances	111.26	236.36
Liabilities		
Secured loans	1,388.37	954.47
Unsecured loans	15.10	52.97
Deferred tax liabilities (net)	1.10	-
Current liabilities and provisions		
Liabilities	252.23	320.80
Provisions	5.86	41.60
Income		
Sales	862.28	754.74
Other income	2.82	0.28
Expenses		
Generation and operating expenses	564.53	523.22
Administration and other expenses	93.13	75.39
Depreciation/ amortisation	141.37	85.64
Interest and finance charges (net)	119.61	51.55
Provision for taxation (including deferred tax)	(9.38)	11.22
Other Matters		
Capital commitments	70.80	11.58
Contingent liabilities	-	-
Claims against the joint ventures not acknowledged as debts	0.21	1.21
Reserves as at April 1,	37.16	29.16
Add: Group's share of profits for the year	(44.16)	8.00
Reserves as at March 31,	(7.00)	37.16

(xviii) Segment reporting

a. The segment reporting of the Group has been prepared in accordance with AS 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

b. For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.

c. The business segments of the Group comprise of the following:

Segment	Description of Activity
Airports	Development and operation of airports
Power	Generation of power and provision of related services and exploration and mining activities
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

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d. Geographical segment is categorised as 'India' and 'Outside India' and based on the domicile of the customers.

e. Various business segments comprise of the following companies:

Power Segment		Roads Segment	Airport Segment	EPC Segment	Others Segment	
GEL	WIL	GMRHL	GHIAL	GIL (EPC Division)	GIL (Others)	LGM
GPCL	FCK	GTTEPL	GFIAPL	LGCJV	GHRL	GHDPL
GVPGL	MMPL	GTAEPL	HMACPL		GAHL	GHOSS
GBHPL	GMAEL	GACEPL	HASSL		GAPL	WAITSPL
BHPL	GBEPL	GJEPL	GHARML		GKSEZ	
GMEL	GUPEPL	GPEL	GHAL		APPL	
GKEL	GHOEL	GUEPL	GHASL		AKPPL	
HHPCPL	GGSPPL	GHVEPL	GHMSL		AMPPL	
GEML	KTCPL	GCORRPL	MGECPL		BPPL	
GLEL	MTCPL	GOSEHHHPL	TVS GMR		BOPPL	
GUKHL	GINELL		HDFRL		CPPL	
GETL	GINPCL		GADL		DPPL	
GCSPL	GREEL		MGATL		EPPL	
GCEPL	ATSCL		GADLIL		GPPL	
GBHHPL	MTSCL		GADLML		LPPPL	
GLHPPL	EDWPCPL		GAHSCL		HPPL	
GKEPL	IPIPL		DIAL		IPPL	
RCMEPL	IPCPL		DASPL		KPPL	
GCHEPL	IPSPL		DAPL		LAPPL	
GECL	GISPL		APFTAL		NPPL	
GENBV	HEC		TFSPL		GEPML	
PTDSU	GIISPRL		DFSPL		PAPPL	
PTDSI			DSSHPL		PPPL	
PTBL			DDFSPL		PUPPL	
LETPL			DAFFPL		SPPL	
GREL			CDCTMIPL		SRPPL	
SJK			DCSCPL		GSPHPL	
PT			GMIAPL		GCAPL	
EMCO			DAPSPL		DSPL	
HEGL			TIM Delhi		KSPL	
HMES			ISG		GPIL	
HESW			SGH		GIML	
HMEB					GICL	
HCM					GIOSL	
NML					GIUL	
TMR					GMRIML	
CPL					GIGL	
FCH					GEGL	

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f. The details of segment information is given below

Business Segment

(Rs. in crore)

Particulars	Power		Roads		Airports		EPC		Others		Inter segment		Unallocated		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue																
Revenue from customers	2,185.84	2,037.56	390.25	346.07	2,370.26	1,448.99	515.26	409.85	312.17	324.04	-	-	-	-	5,773.78	4,566.51
Inter segment revenue	-	1.91	-	-	25.11	0.39	0.32	-	160.20	45.99	(185.63)	(48.29)	-	-	-	-
Total revenues	2,185.84	2,039.47	390.25	346.07	2,395.37	1,449.38	515.58	409.85	472.37	370.03	(185.63)	(48.29)	-	-	5,773.78	4,566.51
Other expense/ (income) - net - (Refer 4(x)(e) & 4(x)(i) of schedule 19)	(105.47)	11.35	21.89	15.01	484.79	284.90	52.29	10.44	993.09	163.61	5.67	(23.09)	-	-	1,452.26	462.22
Operating expenses	1,723.50	1,658.36	31.71	25.42	1,202.33	586.21	398.48	253.83	93.30	54.77	(41.97)	(2.00)	-	-	3,407.35	2,576.59
Depreciation/ amortisation	145.78	109.68	142.13	144.72	536.61	328.45	4.29	1.14	38.44	28.25	(6.33)	-	-	-	860.92	612.24
Segment result	422.03	260.08	194.52	160.92	171.64	249.82	60.52	144.44	(652.46)	123.40	(143.00)	(23.20)	-	-	53.25	915.46
Unallocated income/ (expense)																
Interest income													154.04	127.95	154.04	127.95
Interest expense													(1,230.06)	(850.28)	(1,230.06)	(850.28)
Profit/ (loss) before tax	422.03	260.08	194.52	160.92	171.64	249.82	60.52	144.44	(652.46)	123.40	(143.00)	(23.20)	(1,076.02)	(722.33)	(1,022.77)	193.13
Income taxes (including deferred tax)													23.90	(32.21)	23.90	(32.21)
Net profit/ (loss) for the year	422.03	260.08	194.52	160.92	171.64	249.82	60.52	144.44	(652.46)	123.40	(143.00)	(23.20)	(1,099.92)	(690.12)	(1,046.67)	225.34
Other information																
Segment assets	13,348.76	6,888.36	5,493.39	4,270.96	17,805.31	13,297.67	495.25	347.34	12,788.11	13,043.49	(9,233.64)	(6,409.44)	-	-	40,697.18	31,438.38
Unallocated segment assets													634.12	354.82	634.12	354.82
Total Assets	13,348.76	6,888.36	5,493.39	4,270.96	17,805.31	13,297.67	495.25	347.34	12,788.11	13,043.49	(9,233.64)	(6,409.44)	634.12	354.82	41,331.30	31,793.20
Segment liabilities	2,985.44	1,141.97	903.17	594.85	2,494.08	1,151.93	366.00	116.25	271.31	87.33	(1,549.39)	(1,036.51)	-	-	5,470.61	2,055.82
Unallocated segment liabilities													24,377.72	21,080.70	24,377.72	21,080.70
Total Liabilities	2,985.44	1,141.97	903.17	594.85	2,494.08	1,151.93	366.00	116.25	271.31	87.33	(1,549.39)	(1,036.51)	24,377.72	21,080.70	29,848.33	23,136.52
Capital expenditure	5,358.40	2,107.80	1,146.95	247.45	1,077.40	4,603.80	54.56	22.39	1,057.72	369.01	-	-	-	-	8,695.03	7,350.45
Depreciation/ amortisation	145.78	109.68	142.13	144.72	536.61	328.45	4.29	1.14	38.44	28.25	(6.33)	-	-	-	860.92	612.24
Other non cash expenses	1.03	10.70	-		13.05	25.36	-	-	939.12	2.18	-	-	-	-	953.20	38.24

Revenue from customers in respect of airports for the year ended March 31, 2011 is net of annual fees to Airport Authority of India, amounting to Rs. 651.26 crore (2010: Rs.556.91 crore).

The Group has two geographical segments: India and Outside India (Rs. in crore)

Particulars	Revenue		Assets		Capital expenditure	
	2011	2010	2011	2010	2011	2010
India	4,592.41	3,674.19	36,743.89	27,982.75	7,417.70	6,849.08
Outside India	1,181.37	892.32	4,587.41	3,810.45	1,277.33	501.37
Total	5,773.78	4,566.51	41,331.30	31,793.20	8,695.03	7,350.45

Notes forming part of the Consolidated Accounts

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(xix) Related party transactions

a. Names of related parties and description of relationship:

S.No.	Relationship	Name of the Parties
(i)	Holding Company	GMR Holdings Private Limited (GHPL)
(ii)	Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture enterprises exercising significant influence over the subsidiary companies	Airports Authority of India (AAI) Bharat Petroleum Corporation Limited (BPCL) Bird World Wide Flight Services India Private Limited (BWWFSIPL) Cambata Aviation Private Limited (CAPL) Cargo Service Center India Private Limited (CSCIPL) Celebi Ground Handling Delhi Private Limited (CELBI GHDPL) Celebi Hava Servisi A.S (CHSAS) Devyani International Limited (DIL) Fraport AG Frankfurt Airport services Worldwide (FAG) Government of Andhra Pradesh (GoAP) IDFS Trading Private Limited (IDFSTPL) IL & FS Renewable Energy Limited (ILFS Renw) India Development Fund (IDF) Indian Oil Corporation Limited (IOCL) Infrastructure Development Finance Company Limited (IDFC) LGM Guvenlik (LGMG) Limak Insaat San.Ve Tic. A.S. (LISVT) Limak Yatrim (LY) Malaysia Airports (Mauritius) Private Limited (MAMPL) Malaysia Airports Holdings Berhad (MAHB) Malaysian Aerospace Engineering Sdn. Bhd.- (MAE) Malaysian Airline System Bhd. – (MAS) Menzies Aviation Bobba (Bangalore) Private Limited (MABBPL) Menzies Aviation Cargo (Hyderabad) Limited (MACHL) Menzies Aviation India Private Limited (MAIPL) Menzies Aviation PLC (UK) (MAPUK) Menzies Bobba Ground Handling Services Private Limited (MBGHSPL) Oriental Structures Engineers Private Limited (OSEPL) Oriental Tollways Private Limited (OTPL) Rushil Construction (India) Private Limited (RCIPL) Somerset India Fund (SIF) SSP Catering India Private Limited (SSPCIPL) Tenaga Parking Services (India) Private Limited (TPSIPL) Travel Foods Services (Delhi) Private Limited (TFSDPL) U E Development India Private Limited (UEDIPL) Wipro Limited (WL) Yalorvin Limited (YL)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) Corporate Infrastructure Services Limited (CISL) Rajam Enterprises Private Limited (REPL) GMR Enterprises Private Limited (GEPL) Grandhi Enterprises Private Limited (GREPL) Ideaspace Solutions Limited (ISL) GMR Projects Private Limited (GPPL)
(iv)	Associates/JV	Homeland Energy Group Limited (HEGL) (It is a subsidiary effective July 13, 2010) Asia Pacific Flight Training Academy Limited (APFTAL)

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S.No.	Relationship	Name of the Parties
(v)	Fellow subsidiary (where transactions have taken place)	GMR Bannerghatta Properties Private Limited (GBPPL) Raxa Security Services Limited (RSSL) GMR Sports Private Limited (GSPL) Crossridge Investments Limited (CIL) GMR International FZE (GIFZE) Delhi Golf Link Properties Private Limited (DGLPPL) GMR Holdings (Overseas) Limited (GHOL) Welfare Trust of GMR Infra Employees (GWT) GMR Hebbal Towers Private Limited (GHTPL) Parry India Sugars Limited (formerly known as GIDL – Fellow subsidiary till August 26, 2010) GMR Holding (Malta) Limited (GHML)
(vi)	Key management personnel and their relatives	Mr. G.M.Rao (Chairman) Mrs. G.Varalakshmi Mr. G.B.S.Raju (Director) (Managing Director till May 11, 2010) Mr. Kiran Kumar Grandhi (Director) Mr. Srinivas Bommidala (Managing Director w.e.f. May 24, 2010) Mr. B.V.Nageswara Rao (Director) Mr. O Bangaru Raju (Director)

Notes:

1. The Company has provided securities by way of pledge of investments for loans taken by certain companies.
2. Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, the Holding Company has pledged certain shares held in the Company and other body corporates as security towards the borrowings of the Company.
3. Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole.

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

(Rs. in crore)

Nature of Transaction	2011	2010
Purchase of long term investments from		
- Holding Company		
GHPL	-	0.03
- Enterprises where key management personnel and their relatives exercise significant influence		
ISL	-	4.00
REPL	-	3.15
GREPL	-	3.15
- Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
IDFC	-	149.73
- Key management personnel		
Mr. Srinivas Bommidala	-	0.01
Mr. O Bangaru Raju [(Amounting to Rs. Nil (2010: Rs. 24,000)]	-	0.00
Investment in Equity shares		
-Associates/JV		

Notes forming part of the Consolidated Accounts

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(Rs. in crore)

Nature of Transaction	2011	2010
HEGL (a subsidiary effective July 13, 2010)	-	8.47
-Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	0.01	-
Allotment of equity shares		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
IDFC	-	149.73
IOCL	8.56	-
BPCL	8.56	-
TIML	0.01	-
MAMPL	125.00	-
YL	13.20	-
AAI	325.00	
IDFSTPL	6.80	-
MAE	7.92	4.75
MAHB	31.20	
DIL	0.24	-
TFSDPL	0.96	-
SIF	0.94	-
FAG	125.00	
CSCIPL	6.70	-
OSEPL [2010: Rs. 24,000]	59.80	0.00
OTPL	52.90	-
Preference Shares issued		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
RCIPL	8.32	-
Refund of share application money received		
- Holding Company		
GHPL	14.10	0.02
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MAHB	-	0.03
GoAP	-	0.01
MACHL	-	1.92
YL	0.02	-
Share application money received		
- Holding Company		
GHPL	-	14.10

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(Rs. in crore)

Nature of Transaction	2011	2010
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
ILFS Renw	15.48	-
TFSDPL	0.29	-
TIML	6.36	-
CELBI GHDPL	2.08	-
BWWFSIPL	0.50	-
OSEPL	59.80	-
OTPL	52.90	-
MAE	7.92	-
Loans/ advances repaid by		
-Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	15.10	9.13
GVF	27.75	0.25
GEPL	15.00	-
- Holding Company		
GHPL	-	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MAIPL	-	0.10
Loans/ advances given to		
-Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	6.32	17.48
GVF	-	0.25
GEPL	15.00	-
GPPL	10.00	-
GWT	115.00	-
- Fellow Subsidiary		
CIL	11.29	41.02
RSSL	0.65	0.05
GHML	-	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
OSEPL	101.20	-
AAI	1.33	-
Loans taken		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
TFSDPL	1.59	-
Loans repaid		

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(Rs. in crore)

Nature of Transaction	2011	2010
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
TFSDPL	1.60	-
MAIPL	0.10	-
Investment in cumulative convertible debentures		
- Fellow Subsidiary		
GHML	725.68	314.58
Purchase of fixed assets		
- Fellow Subsidiary		
RSSL	-	0.05
GBPPL	-	11.86
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
BPCL	24.37	-
WL	0.03	-
AAI	0.19	-
MBGHSPL	0.01	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GPPL	8.17	53.34
Subordinate Debt		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
UEDIPL	26.00	-
Assets acquired on lease		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	-	6.19
Deposits paid		
- Fellow Subsidiary		
GBPPL	8.22	4.22
DGLPPL	1.00	-
GHTPL	135.00	-
RSSL	0.15	0.18
-Enterprises where key management personnel and their relatives exercise significant influence		
CISL	13.22	-
- Key management personnel		
Mr. B.V. Nageswara Rao	-	0.01
Deposit refund received		
- Fellow Subsidiary		
GBPPL	-	7.50

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(Rs. in crore)

Nature of Transaction	2011	2010
Advance received		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
BPCL	-	27.75
Equity Dividend declared		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MACHL	2.00	1.00
Preference Dividend declared		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MACHL	2.15	2.69
Revenue		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
LGMG	0.61	0.23
MAHB	0.01	0.01
Income from management and other services		
- Fellow Subsidiary		
GHOL	14.13	38.00
GIDL (Ceased to be subsidiary effective August 27, 2010)	-	0.15
Income from Operations		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	2.41	-
Fees received for services rendered		
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.06	-
- Fellow Subsidiary		
GSPL	0.76	-
Fee paid for services received		
- Fellow Subsidiary		
RSSL	-	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	0.01	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
WL	8.53	-
MAE	2.78	-

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(Rs. in crore)

Nature of Transaction	2011	2010
AAI	0.17	-
CELBI GHDPL	0.13	-
BWWFSIPL	0.99	-
CAPL	2.36	-
Interest income		
- Fellow Subsidiary		
GHML	-	95.33
GIFZE	-	0.23
CIL	-	0.02
GPPL [Amounting to Rs.32,877 (2010: Rs. Nil)]	0.00	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	0.26	0.29
GEPL	0.15	-
Operations and Maintenance expenses		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI (Operation support cost)	-	10.48
FAG (Airport operator fees)	35.91	28.74
DIL	0.80	-
MAHB (Success fee)	13.45	-
TPSIPL [Amounting to Rs.5,496 (2010: Rs. Nil)]	0.00	-
LGMG	14.15	3.71
UEDIPL	14.77	13.44
Operations and Maintenance (Advance)		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
UEDIPL	13.02	-
Revenue share paid/payable to concessionaire grantors		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	598.81	556.91
Rent Paid		
- Fellow Subsidiary		
GBPPL	15.51	4.76
DGLPPL	2.37	-
- Key management personnel		
Mr. B.V.Nageswara Rao	-	0.02
Managerial remuneration to		
- Key management personnel and their relatives		
Mr. G.M. Rao	3.48	0.74
Mr. G.B.S. Raju	-	0.82

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(Rs. in crore)

Nature of Transaction	2011	2010
Mr. Kiran Kumar Grandhi	3.50	3.43
Mr. Srinivas Bommidala	1.55	1.54
Mr. O Bangaru Raju	0.80	0.93
Mr. B. V. Nageswara Rao	2.52	3.29
Logo fee paid/payable to		
- Holding Company		
GHPL	7.41	3.45
Technical and consultancy fee		
- Fellow Subsidiary		
RSSL	3.39	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GPPL	1.24	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
CHSAS	0.75	-
AAI	0.35	-
FAG	17.09	-
LY	1.35	-
TPSIPL [Amounting to Rs.2,490 (2010: Rs. Nil)]	0.00	-
DIL	0.04	-
MAE	-	0.30
MAS	-	2.64
MAPUK	4.52	2.12
Other administration expenses		
- Fellow Subsidiary		
GSPL	1.02	0.17
RSSL	26.84	8.01
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	0.24	0.38
MAHB	-	0.38
FAG	-	4.17
LISVT [Amounting to Rs.24,244 (2010: Rs. Nil)]	0.00	-
BPCL	0.19	-
WL	0.03	-
LGMG	0.55	-
Reimbursement of Expenses incurred on behalf of:		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
TIML	0.94	-
MAS	1.21	-

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(Rs. in crore)

Nature of Transaction	2011	2010
MAE	0.76	-
CELBI GHDPL [Amounting to Rs.13,735 (2010: Rs. Nil)]	0.00	-
TIPL	0.05	-
TFSDPL	0.45	-
CHSAS	0.32	-
SSPCIPL	0.23	-
YL	0.96	-
IDFSTPL [Amounting to Rs.5,440 (2010: Rs. Nil)]	0.00	-
CELBI GHDPL	0.06	-
TPSIPL [Amounting to Rs.2,490 (2010: Rs. Nil)]	0.00	-
CSCIPL	0.17	-
- Fellow Subsidiary		
GSPL [Amounting to Rs.15,575 (2010: Rs. Nil)]	0.00	-
RSSL	0.20	-
GBPPL [Amounting to Rs.40,000 (2010: Rs. Nil)]	0.00	-
- Holding Company		
GHPL [Amounting to Rs.17,100 (2010: Rs. 0.28 crore)]	0.00	0.28
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
YL [Amounting to Rs.48,821 (2010: Rs. Nil)]	0.00	-
AAI	2.01	0.09
CELBI GHDPL	0.16	-
TIML [Amounting to Rs.27,994 (2010: Rs. Nil)]	0.00	-
TIPL [Amounting to Rs.24,768 (2010: Rs. Nil)]	0.00	-
CHSAS	0.07	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	-	0.02
- Fellow Subsidiary		
GBPPL [Amounting to Rs.40,248 (2010: Rs. Nil)]	0.00	-
GHTPL	-	0.02
GSPL	0.46	-
RSSL	-	0.77
Donations		
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	5.99	1.59
Voluntary retirement compensation scheme		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	-	250.88
Personnel Expenses		

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(Rs. in crore)

Nature of Transaction	2011	2010
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
DIL	0.07	-
Rent received		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
CELBI GHDPL	0.05	-
Purchase of Aircraft Turbo Fuel (net of return)		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
IOCL	5.22	-
BPCL	2.42	-
Ground Handling Commission Paid		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
CELBI GHDPL	0.01	-
BWWFSIPL	0.07	-
CAPL	0.17	-
Construction cost paid to		
-Enterprises where key management personnel and their relatives exercise significant influence		
GPPL	54.92	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
OSEPL	118.19	-
Interest paid		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	1.88	-
TFSDPL	0.02	-
UEDIPL	0.26	0.26
Balance payable/ (receivable)		
- Holding Company		
GHPL	6.46	17.32
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	141.62	530.31
FAG	18.39	125.00
MAE	3.15	0.98
LGMG	0.53	0.22
MAHB	1.99	0.79

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(Rs. in crore)

Nature of Transaction	2011	2010
MAMPL	-	125.00
MAS	0.79	1.39
BPCL	-	27.75
UEDIPL	-	26.00
GWT	(115.00)	-
DIL	0.52	-
TFSDPL	0.03	-
SSPCSPL	0.45	-
TIML	7.38	-
CSCIPL	0.01	-
WL	1.03	-
OSEPL	(45.57)	-
MAIPL	1.30	1.40
MAPUK	2.05	0.60
ILFS Renw	15.48	-
CHSAS	(0.21)	-
TPSIPL [Amounting to Rs.1,943 (2010: Rs. Nil)]	0.00	-
CELBI GHDPL	(0.13)	-
BWWFSIPL	(0.87)	-
CAPL	(1.82)	-
YL	0.96	-
IDFS TPL [Amounting to Rs.10,902 (2010: Rs. Nil)]	0.00	-
LY	4.17	-
LISVT	0.00	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.20	27.75
GPPL	(8.15)	13.59
GREPL	-	(8.35)
CISL	13.22	-
- Fellow Subsidiary		
CIL	51.91	(41.02)
DGLPPL	(0.90)	-
GSPL	0.02	-
RSSL	4.78	1.18
GBPPL	(16.35)	(7.44)
GHOL	(14.57)	(33.98)
GHML	(1874.13)	(1,249.62)
- Key management personnel and their relatives		
Mr.G.M. Rao	-	(0.78)
Mr.G.B.S Raju	-	(0.45)
Mr BVN Rao	0.01	-

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(xx) Disclosure in terms of Accounting Standards 7 - Construction contracts

(Rs. in crore)

S.No	Particulars	2011	2010
1	Contract revenue recognised during year	515.26	409.85
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date.	1,242.06	726.55
3	Amount of customer advances outstanding for contracts in progress	156.84	15.00
4	Retention money due from customers for contracts in progress	29.29	-
5	Gross amount due from customers for contract works as an asset	58.25	-

(xxi) The reporting dates of the Subsidiaries, Associates and Joint Ventures coincide with that of the parent except in case of HEGL and its subsidiaries and joint ventures, whose financial statements for the period ended on and as at December 31, 2010 were considered for the purpose of the consolidated financial statements of the Group.

(xxii) Acquisitions during the year

a. The Group has acquired following subsidiaries during the year:

o HEGL	o GADL	o ATSCL	o MTSCL	o GAHSCL	o HEC	o HMES
o HESW	o HMEB	o HMMPL	o HCM	o KSPL	o LAPPL	o PAPPL
o DPPL	o HEC	o WIL	o CPL	o FCH	o GADLIL	o GADLML

b. The Group had acquired following subsidiaries during the previous year:

o SJK	o EMCO	o GCHEPL	o PT	o GOSEHHHPL	o GCORRPL	o GHVEPL
o BOPPL	o DSPL	o IPIPL	o IPSPL	o IPCPL	o LETPL	o GCPL
o GHDPL	o GCAPL					

c. The effect of the acquisition of subsidiaries on the financial position at the reporting date, the results for the reporting period.

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Reserves and surplus	(43.57)	5.80
Capital reserve on consolidation	2.46	-
Goodwill on consolidation	86.37	182.64
Fixed assets - Gross block	208.60	63.11
Accumulated depreciation	19.94	0.04
Net block	188.66	63.07
Capital work-in-progress including capital advances	804.02	441.57
Investments	22.18	46.50
Deferred tax asset	0.51	0.02
Cash and bank balances	85.78	31.80
Sundry debtors	46.60	2.71
Inventory	15.18	-
Loans and advances (including other current assets)	90.52	134.17
Secured loan	465.00	-
Unsecured loan	274.63	233.17

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Current liabilities	176.53	23.94
Provisions	17.74	1.03
Total income	107.09	0.10
Total expenses	128.20	10.44
Interest and finance charges (net)	5.98	0.21
Profit/(loss) before taxation	(27.09)	(10.56)
Taxation	0.98	0.38
Profit/ (loss) after taxation	(26.11)	(10.94)

(xxiii) Employee stock options:

HEGL, an overseas subsidiary of the Company has provided various share-based payment schemes to its employees as well as non-employees. During the period ended December 31, 2010, the following Stock option scheme was in operation:

Particulars		
Date of grant	February 10, 2009	December 16, 2009
Number of options granted	3,500,000	5,545,000
Method of Settlement (Equity/Cash)	Equity	Equity
Vesting Period	5 Years	5 Years
Exercise Period	5 Years	5 Years
Vesting Conditions	Terminates after 90 days from cessation of employment	Terminates after 90 days from cessation of employment

The details of activity under Stock Options have been summarized below:

Particulars	December 31, 2010	
	Number of options	Weighted Average Exercise Price(CAD)
Outstanding at the beginning of the Period	6,461,250	0.13
Granted during the Period	-	-
Forfeited during the Period	-	-
Exercised during the Period	-	-
Expired during the Period	2,211,250	0.95
Outstanding at the end of the Period	4,250,000	0.14
Exercisable at the end of the Period	4,250,000	0.14

Weighted average fair value of options granted on the date of grant is CAD. 0.06.

The details of exercise price for stock options outstanding at the end of the period ended December 31, 2010

Exercise price per share	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
0.20	765,000	3Yrs 2 Months	0.12
0.12	3,485,000	3 Yrs 11 Months	0.05

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

Stock Options granted

The weighted average fair value of stock options granted during the period was CAD Nil. The BlackScholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	December 31, 2010
Weighted average share price (in CAD)	0.06
Exercise Price (in CAD)	0.13
Expected Volatility (%)	71.00%
Life of the options granted (Vesting and exercise period) in years	1.50
Expected dividends	-
Average risk-free interest rate (%)	3.60%
Expected dividend rate	-

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures. To allow for the effects of early exercise, it was assumed that the employees will exercise the options one and half year after the vesting date.

(xxiv) a. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

b. Consequent upon acquisition/ incorporation of subsidiaries and JVs, the figures of current year are not comparable with those of previous year.

(xxv) The consolidated financial statements as at and for the year ended March 31, 2011 have been audited by S.R.Batliboi & Associates. The consolidated financial statements as at and for the year ended March 31, 2010 were audited jointly by S.R. Batliboi & Associates and Price Waterhouse.

As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 30, 2011

Place: Bengaluru
Date: May 30, 2011

Consolidated Cash flow statement for the year ended March 31, 2011

(Rs. in crore)

Sl. No.	Particulars	March 31, 2011	March 31, 2010
A.	CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
	(Loss)/Profit before taxation and minority interest/ share of profits/ (losses) of associates	(1,022.77)	193.13
	Adjustments for :		
	Depreciation/ amoritisation	860.92	612.24
	Provision for diminution in value of investments	941.07	0.07
	Liabilities/provisions no longer required, written back	(196.24)	(72.77)
	Profit from sale of investments (net)	(104.16)	(37.33)
	Loss from sale of fixed assets	3.13	3.85
	Provision for doubtful advances and debts (net)	4.20	0.79
	Effect of changes in exchange rates on translation of subsidiaries/ joint ventures	15.22	(21.97)
	Bad debts written off	9.93	11.45
	Dividend income	(0.90)	(1.58)
	Interest income	(231.24)	(254.66)
	Mark to market losses on derivative instruments	(2.00)	25.93
	Interest and finance charges	1,232.06	824.35
	Operating Profit Before Working Capital Changes	1,509.22	1,283.50
	Adjustments for :		
	(Increase)/ Decrease in inventories	(39.63)	15.96
	Increase in sundry debtors	(428.86)	(210.86)
	Increase in loans and advances & other current assets	(859.47)	(90.74)
	Increase in current liabilities and provisions	3,100.38	304.35
	Cash generated used in operations	1,772.42	18.71
	Direct taxes paid	(243.41)	(51.10)
	Net Cash from Operating Activities	3,038.23	1,251.11
B.	CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
	Purchase of fixed assets	(7,404.96)	(6,875.29)
	Proceeds from sale of fixed assets	79.61	2.79
	Purchase of investment - long term	(729.53)	(456.11)
	Proceeds from sale of investments - long term	-	0.37
	(Purchase)/ sale of investments - current (net)	1,449.51	(2,718.49)
	Consideration paid on acquisition of subsidiaries	(96.49)	(185.95)
	Interest received	261.97	171.85
	Dividend received	0.90	1.58
	Net Cash used in Investing Activities	(6,438.99)	(10,059.25)
C.	CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
	Proceeds on issue of equity shares (including securities premium)	1,400.00	-
	Proceeds on issue of preference shares (including securities premium)	2,289.48	300.00
	Redemption of preference shares (including redemption premium)	(15.00)	-
	Payment of debenture/ share issue expenses	(270.15)	(70.81)

Consolidated Cash flow statement for the year ended March 31, 2011

(Rs. in crore)

Sl. No.	Particulars	March 31, 2011	March 31, 2010
	Proceeds from government grant	28.44	-
	Issue of common stock in consolidated entities (including share application money)	190.69	83.91
	Proceeds from borrowings	6,683.01	9,143.75
	Repayments of borrowings	(4,058.69)	(585.52)
	Interest and finance charges paid	(1,178.34)	(761.51)
	Dividend paid (including dividend distribution tax)	(8.68)	(0.50)
	Net Cash from Financing Activities	5,060.76	8,109.32
	Net increase/ (decrease) in cash and cash equivalents	1,660.00	(698.82)
	Cash and cash equivalents as at April 1,	1,682.62	2,466.52
	Cash and cash equivalents on acquisitions during the year	32.48	29.93
	Effect of changes in exchange rates on cash and cash equivalent	(1.89)	(115.01)
	Cash and cash equivalents as at March 31,	3,373.21	1,682.62

Note:

1. The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the 'Accounting Standard -3' on 'Cash Flow Statements' as referred to in section 211(3C) of the Companies Act, 1956 and the reallocation required for this purpose are as made by the Group.
2. The above consolidated cash flow statement has been compiled from and is based on the consolidated balance sheet as at March 31, 2011 and the related consolidated profit and loss account for the year ended on that date.
3. Cash and cash equivalents as at March 31, 2011 include restricted cash and bank balance amounting to Rs. 112.80 crore (2010: Rs. 52.50 crore).
4. Previous year figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 30, 2011

Place: Bengaluru
Date: May 30, 2011

Standalone Financial Statements

Auditors' Report to the Members of GMR Infrastructure Limited

1. We have audited the attached balance sheet of GMR Infrastructure Limited ('the Company') as at March 31, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

4. Without qualifying our opinion, we draw attention to Note 3 of Schedule18 (III) in the accompanying financial statements for the year ended March 31, 2011 in connection with an investment of Rs. 2,763,078,800 (including loans of Rs. 597,194,800 and investment in equity / preference shares of Rs. 1,926,557,130 being made by subsidiaries of the Company) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on management's internal assessment and legal opinion obtained by the management of GACEPL, such investment has been carried at cost.

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

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;

      b. in the case of the profit and loss account, of the profit for the year ended on that date; and

      c. in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place : Bengaluru
Date : May 30, 2011

Annexure to Auditors' Report

Annexure referred to in paragraph 3 of our report of even date
Re: GMR Infrastructure Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) (a) The Company has granted unsecured loans and unsecured debentures to six subsidiary Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year (excluding interest) was Rs. 16,000,000,000 and the year-end balance of loans/debentures granted (excluding interest) to such parties was Rs. 15,706,500,000.

(b) In our opinion and according to the information and explanations given to us and considering the economic interest of the Company in these subsidiary companies, the rate of interest and other terms and conditions for such loans/debentures are not prima facie prejudicial to the interest of the Company.

(c) In respect of loans/debentures granted, repayment of the principal amount is as stipulated and payment of interest is as per the terms of the contract.

(d) There is no overdue amount of loans/debentures granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *except for professional tax where there have been delays in certain cases*. The provisions relating to employees' state insurance are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty 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 information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.

(xx) The Company has not raised any money through public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place : Bengaluru
Date : May 30, 2011

Balance Sheet as at March 31, 2011

(Amount in Rupees)

Particulars	Schedule Ref	March 31, 2011		March 31, 2010	
Sources of funds					
Shareholders' funds					
Share capital	1	3,892,432,532		3,667,351,642	
Reserves and surplus	2	67,803,350,031	71,695,782,563	54,732,844,378	58,400,196,020
Loan funds					
Secured loans	3	13,760,688,356		12,750,000,000	
Unsecured loans	4	10,000,000,000	23,760,688,356	13,000,000,000	25,750,000,000
Deferred tax liability (Net)			12,748,839		-
[Refer Note 11 of Schedule 18(III)]					
Total			95,469,219,758		84,150,196,020
Application of funds					
Fixed assets					
Gross block	5	884,307,406		254,877,872	
Less : Accumulated depreciation		66,042,361		17,812,640	
Net block			818,265,045		237,065,232
Capital work in progress			97,487,715		84,779,701
(including capital advances)					
Investments	6		70,380,196,667		62,524,959,283
Deferred tax asset (Net)			-		301,915
(Refer Note 11 of Schedule 18(III))					
Current assets, loans and advances					
Inventories	7	105,687,720		126,808,589	
Sundry debtors	8	1,166,179,223		373,515,770	
Cash and bank balances	9	4,741,771,344		685,306,545	
Other current assets	10	1,694,194,770		28,535,922	
Loans and advances	11	20,316,976,519		20,893,095,603	
		28,024,809,576		22,107,262,429	
Less : Current liabilities and provisions	12				
Current liabilities		3,721,340,983		701,582,884	
Provisions		130,198,262		102,589,656	
		3,851,539,245		804,172,540	
Net current assets			24,173,270,331		21,303,089,889
Statement on significant acccounting policies and notes to accounts	18				
Total			95,469,219,758		84,150,196,020

The schedules referred to above and statement on significant acccounting policies and notes to accounts form an intergral part of the Balance Sheet.

As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place : Bengaluru
Date : May 30, 2011

Place : Bengaluru
Date : May 30, 2011

Profit and Loss Account for the year ended March 31, 2011

(Amount in Rupees)

Particulars	Schedule Ref	March 31, 2011	March 31, 2010
Income			
Operating income	13	7,274,048,252	1,693,583,186
Other income	14	54,566,645	94,205,535
		7,328,614,897	1,787,788,721
Expenditure			
Operating expenses	15	3,920,536,030	423,407,410
Administration and other expenditure	16	957,870,290	527,492,627
Financial expenses	17	1,741,424,346	691,148,979
Depreciation	5	49,137,378	9,362,939
		6,668,968,044	1,651,411,955
Profit before taxation		659,646,853	136,376,766
Provision for taxation			
- Current tax		236,568,812	44,060,630
- Reversal of earlier years		(15,195,997)	-
- MAT credit entitlement		(163,557,101)	(44,060,630)
- Deferred tax charge		13,050,755	1,854,543
Profit after taxation		588,780,384	134,522,223
Balance brought forward from previous year		2,774,772,002	2,510,401,792
Profit available for appropriation		3,363,552,386	2,644,924,015
Transfer to debenture redemption reserve		(377,289,912)	(32,652,013)
Transfer from debenture redemption reserve		-	162,500,000
Available surplus carried to Balance Sheet		2,986,262,474	2,774,772,002
Earnings per Share (Rs.) - Basic and Diluted		0.15	0.04
[Per equity share of Re.1 each] [Refer Note 10 of Schedule 18(III)]			
Statement on significant acccounting policies and notes to accounts	18		

The schedules referred to above and statement on significant acccounting policies and notes to accounts form an intergral part of the Profit and Loss Account.

As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place : Bengaluru
Date : May 30, 2011

Place : Bengaluru
Date : May 30, 2011

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

(Amount in Rupees)

Schedule 1 | SHARE CAPITAL	March 31, 2011	March 31, 2010
Authorised		
7,500,000,000 (2010: 7,500,000,000 equity shares of Re. 1 each) equity shares of Re. 1 each	7,500,000,000	7,500,000,000
	7,500,000,000	7,500,000,000
Issued, subscribed and paid up		
3,892,434,782 (2010: 3,667,354,392) equity shares of Re. 1 each fully paid	3,892,434,782	3,667,354,392
Notes: Of the above, (i) 1,057,747,230 (2010: 1,057,747,230 equity shares of Re. 1 each) equity shares of Re. 1 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the Company. (ii) 2,726,840,000 (2010: 2,725,850,824 equity shares of Re.1 each) equity shares of Re. 1 each fully paid-up are held by the Holding Company, GMR Holdings Private Limited. (iii) During the year ended March 31, 2010, 46,800,000 equity shares of Rs. 10 each of Delhi International Airport Private Limited (DIAL) were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 1,497,197,420 which was discharged by allotment of 26,038,216 equity shares of GIL of Re. 1 each at issue price of Re. 1 each at a issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium).		
	3,892,434,782	3,667,354,392
Less: Calls unpaid -others	2,250	2,750
Total	3,892,432,532	3,667,351,642
Note 1: Refer Note 21 of schedule 18(III) for details of additional issue of shares during the year ended March 31, 2011 to Qualified Institutional Buyers for consideration in cash. Note 2: Refer Note 22 of schedule 18(III) on sub division of one equity share of the Company carrying face value of Rs. 2 each into equity shares of Re. 1 each during the year ended March 31, 2010.		

(Amount in Rupees)

Schedule 2 | RESERVES AND SURPLUS	March 31, 2011	March 31, 2010
Securities premium account		
At the commencement of the year	51,925,420,363	50,708,036,118
Add: Received on issue of shares [Refer Note (iii) of Schedule 1 and Note 21 of Schedule 18(III)]	13,774,919,868	1,471,159,204
Less: utilised towards debenture issue expenses	188,600,000	196,240,713
Less: utilised towards provision for debenture redemption premium	700,000,000	57,534,246
Less: utilised towards share issue expenses	404,601,549	-
Add: received against calls unpaid	6,950	-
(i)	64,407,145,632	51,925,420,363
Debenture redemption reserve		
At the commencement of the year	32,652,013	162,500,000
Less: transfer to profit and loss account on redemption	-	162,500,000
Add: transferred from profit and loss account	377,289,912	32,652,013
(ii)	409,941,925	32,652,013
Profit and loss account (iii)	2,986,262,474	2,774,772,002
Total (i)+(ii)+(iii)	67,803,350,031	54,732,844,378

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

(Amount in Rupees)

Schedule 3 | SECURED LOANS	March 31, 2011	March 31, 2010
Term loan		
Rupee loan		
From a financial institution - Life Insurance Corporation of India	12,750,000,000	12,750,000,000
(a) Secured by pledge of 189,978,027 (2010: 160,546,832 equity shares of Re. 1 each) fully paid-up equity shares of Re. 1 each of the company, held by GMR Holdings Private Limited and by way of Guarantee issued by GMR Holdings Private Limited.		
(b) Rs.10,000,000,000 (2010: 10,000,000,000) further secured by exclusive charge on barge mounted power plant of a subsidiary company.		
Bank Overdraft	1,010,688,356	-
(Secured by first charge on current assets of the EPC division of the Company).		
Total	13,760,688,356	12,750,000,000

(Amount in Rupees)

Schedule 4 | UNSECURED LOANS	March 31, 2011	March 31, 2010
Short term		
From banks	5,000,000,000	8,000,000,000
Other than short term		
Debentures		
5,000 (2010: 5,000) 0% unsecured, redeemable, non-convertible debentures of Rs. 1,000,000 each	5,000,000,000	5,000,000,000
Due within one year Rs. 750,000,000 (2010: Nil)		
(These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011.)		
Total	10,000,000,000	13,000,000,000

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

(Amount in Rupees)

Schedule 5 | FIXED ASSETS										
Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 01, 2010	For the year	Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold land	835,700	-	-	835,700	-	-	-	-	835,700	835,700
Office equipments	26,516,376	29,544,234	450,000	55,610,610	2,543,925	2,732,198	26,897	5,249,226	50,361,384	23,972,451
Computer equipments	61,861,712	24,030,971	6,551	85,886,132	10,074,046	11,354,118	4,933	21,423,231	64,462,901	51,787,666
Plant and machinery	136,251,843	546,904,951	-	683,156,794	1,127,493	27,285,163	-	28,412,656	654,744,138	135,124,350
Furniture and fixtures	7,707,775	10,062,742	-	17,770,517	2,236,841	3,699,153	-	5,935,994	11,834,523	5,470,934
Vehicles	21,704,466	20,242,162	898,975	41,047,653	1,830,335	4,066,746	875,827	5,021,254	36,026,399	19,874,131
Total	254,877,872	630,785,060	1,355,526	884,307,406	17,812,640	49,137,378	907,657	66,042,361	818,265,045	237,065,232
Previous Year	16,599,198	238,464,204	185,530	254,877,872	8,467,326	9,362,939	17,625	17,812,640		
Capital work in progress *									97,487,715	84,779,701
									915,752,760	321,844,933

* Includes capital advances Rs.72,715,037 (2010: 49,580,981), unsecured and considered good

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

(Amount in Rupees)

Schedule 6 | INVESTMENTS	March 31, 2011	March 31, 2010
I. LONG TERM - AT COST		
Other than Trade- Unquoted		
A. In equity shares of Subsidiary Companies fully paid		
- Indian Companies		
GMR Energy Limited [Nil (2010: 703,178,306) equity shares of Rs. 10 each]	-	10,008,414,272
GMR Hyderabad International Airport Limited * [238,139,998 (2010: 238,139,998) equity shares of Rs. 10 each]	2,381,399,980	2,381,399,980
GMR Pochanpalli Expressways Limited [57,132,000 (2010: 57,132,000) equity shares of Rs. 10 each]	571,320,000	571,320,000
GMR Jadcherla Expressways Private Limited [48,779,550 (2010: 48,779,550) equity shares of Rs. 10 each]	487,795,500	487,795,500
GMR Ambala Chandigarh Expressways Private Limited * [23,272,687 (2010: 23,272,687) equity shares of Rs. 10 each]	232,726,870	232,726,870
Delhi International Airport Private Limited * [857,500,000 (2010: 420,000,000) equity shares of Rs. 10 each]	9,116,697,470	4,741,697,470
GMR Ulundurpet Expressways Private Limited [82,282,500 (2010: 82,282,500) equity shares of Rs. 10 each]	822,825,000	822,825,000
GMR (Badrinath) Hydro Power Generation Private Limited [4,900 (2010: 4,900) equity shares of Rs. 10 each]	49,000	49,000
GMR Airports Holding Private Limited [340,869,304 (2010: 340,869,304) equity shares Rs. 10 each]	6,798,260,750	6,798,260,750
GMR Aviation Private Limited [86,440,000 (2010: 86,440,000) equity shares of Rs. 10 each]	864,400,000	864,400,000
Gateways for India Airports Private Limited [8,649 (2010: 8,649) equity shares of Rs. 10 each]	86,490	86,490
GMR Krishnagiri SEZ Limited [117,500,000 (2010: 117,500,000) equity shares of Rs. 10 each]	1,175,000,000	1,175,000,000
GMR SEZ & Port Holdings Private Limited [47,989,999 (2010: 49,999) equity shares of Rs. 10 each]	479,899,990	499,990
GMR Highways Limited [20,000,000 (2010: 17,850,000) equity shares of Rs. 10 each]	200,000,000	178,500,000
GMR Hyderabad Vijaywada Expressways Private Limited [2,050,000 (2010: 7,400) equity shares of Rs. 10 each]	20,500,000	74,000
GMR Corporate Affairs Private Limited [4,999,900 (2010: 4,999,900) equity shares of Rs. 10 each]	49,999,000	49,999,000
GMR Chennai Outer Ring Road Private Limited * [9,300,000 (2010: 3,100) equity shares of Rs. 10 each]	93,000,000	31,000
GMR Energy Trading Limited [42,119,897 (2010: 42,119,897) equity shares of Rs. 10 each]	421,198,970	421,198,970
Dhruvi Securities Private Limited [80,59,694 (2010: 2,849,490) equity shares of Rs. 10 each]	396,974,906	141,674,910
GMR OSE Hungund Hospet Highways Private Limited * [15,664,692 (2010: 5,100) equity shares of Rs. 10 each]	156,646,920	51,000
GMR Renewal Energy Limited [500,000 (2010: Nil) equity shares of Rs. 10 each]	5,000,000	-
GMR Power Infra Limited [99,940 (2010: Nil) equity shares of Rs. 10 each]	999,400	-
- Body Corporates		
GMR Energy (Mauritius) Limited [5 (2010: 5) equity share of USD 1 each]	202	202

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

(Amount in Rupees)

Schedule 6 | INVESTMENTS	March 31, 2011	March 31, 2010
GMR Infrastructure (Mauritius) Limited [320,550,001 (2010: 220,550,001) equity share of USD 1 each]	14,779,866,500	10,285,016,500
Island Power Company Pte Ltd., [4,059,436 (2010: Nil) equity share of SGD 1 each]	104,137,500	-
B. In equity shares of Joint Venture		
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi * [86,984,800 (2010: 86,984,800) equity shares of YTL 1 each]	2,667,559,592	2,667,559,592
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi * [4,300 (2010: 4,300) equity shares of YTL 100 each]	12,743,830	12,743,830
(i)	41,839,087,870	41,841,324,326
C. In preference shares of Subsidiary Companies - fully paid		
GMR Energy Limited [386,852,522 (2010: 386,852,522) 1% preference shares of Rs. 10 each]	3,868,525,220	3,868,525,220
GMR Pochanpalli Expressways Limited [4,450,000 (2010: 4,450,000) 8% preference shares of Rs. 100 each]	445,000,000	445,000,000
GMR Jadcherla Expressways Private Limited [5,310,000 (2010: 5,310,000) 8% preference shares of Rs. 100 each]	531,000,000	531,000,000
GMR Ambala Chandigarh Expressways Private Limited [66,000 (2010: 66,000) 8% preference shares of Rs. 100 each]	6,600,000	6,600,000
GMR Ulundurpet Expressways Private Limited [10,002,000 (2010: 10,002,000) 8% preference shares of Rs. 100 each]	1,000,200,000	1,000,200,000
GMR Highways Limited [39,100,000 (2010: 34,364,000) 8% preference shares of Rs. 100 each]	3,910,000,000	3,436,400,000
GMR Chennai Outer Ring Road Private Limited [2,192,500 (2010: Nil) preference shares of Rs. 100 each]	219,250,000	-
GMR Corporate Affairs Private Limited [15,000,000 (2010: Nil) preference shares of Rs. 10 each]	150,000,000	-
Dhruvi Securities Private Limited [200,000,000 (2010: Nil) preference shares of Rs. 10 each]	10,000,000,000	-
(ii)	20,130,575,220	9,287,725,220
D. In debentures of Subsidiary Companies		
GMR Krishnagiri SEZ Limited [185 (2010: 200) 1% cumulative optionally convertible debentures of Rs. 10,000,000 each]	1,850,000,000	2,000,000,000
GMR Aviation Private Limited [18,565 (2010: Nil) 2% non-marketable redeemable debentures of Rs. 100,000 each]	1,856,500,000	-
GMR SEZ & Port Holdings Private Limited [100 (2010: Nil) 1% optionally convertible unsecured debentures of Rs. 10,000,000 each]	1,000,000,000	-
GMR Corporate Affairs Private Limited [15,000,000 (2010: Nil) 5% non-convertible redeemable debentures of Rs. 100 each]	1,500,000,000	-
(iii)	6,206,500,000	2,000,000,000
E. In equity shares of other Body Corporates - Fully paid		
GMR Holding Overseas Investments Limited [5 (2010: Nil] equity shares of USD 1 each]	234	-
GMR Holding (Malta) Limited * [58 (2010: 58) equity shares of EUR 1 each]	3,924	3,924
(iv)	4,158	3,924

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

(Amount in Rupees)

Schedule 6 | INVESTMENTS	March 31, 2011	March 31, 2010
* Refer note 5 of Schedule 18(III) for details of investments pledged as security in respect of the loans availed by the company and the investee companies.		
II. Current Investment - Lower of cost and fair value		
Other than trade - unquoted		
A. Investments in certificate of deposits (CD)		
CD- HDFC Bank [2,500 (2010: Nil) units of Rs.100,000 each]	245,081,500	-
CD- Allahabad Bank [Nil (2010: 5,000) units of Rs.100,000 each]	-	487,033,500
CD- Canara Bank [Nil (2010: 2,500) units of Rs.100,000 each]	-	235,692,000
CD- Canara Bank [Nil (2010: 7,500) units of Rs.100,000 each]	-	731,111,250
CD- Canara Bank [Nil (2010: 25,000) units of Rs.100,000 each]	-	2,395,812,500
CD- Central Bank of India [Nil (2010: 2,500) units of Rs.100,000 each]	-	249,704,750
CD- Panjab National Bank [Nil (2010: 2,500) units of Rs.100,000 each]	-	235,090,750
CD- State Bank of Bikaner & Jaipur [Nil (2010: 2,500) units of Rs.100,000 each]	-	235,583,500
CD- State Bank of Bikaner & Jaipur [Nil (2010: 2,500) units of Rs.100,000 each]	-	249,106,750
CD- Union Bank of India [Nil (2010: 1,500) units of Rs.100,000 each]	-	141,179,700
CD- Corporation Bank [Nil (2010: 2,000) units of Rs.100,000 each]	-	199,657,400
(v)	245,081,500	5,159,972,100
B. Investments in mutual funds		
Birla Sunlife Infrastructure Fund - Plan - Divdend - Payout [4,720,000 (2010: Nil) units of Rs. 10 each]	59,000,000	-
ICICI Prudential Flexible Income Plan Premium Growth [Nil (2010: 6,321,876) units of Rs. 100 each]	-	1,082,476,079
ICICI Prudential Liquid Super Institutional Plan - Growth [12,355,982 (2010: 11,842,120) units of Rs. 100 each]	1,788,741,819	1,611,189,063
HDFC Cash Management Fund - Treasury Advantage Plan- Growth [Nil (2010: 4,459,889) units of Rs. 10 each]	-	90,011,708
Birla Sunlife Cash Plus Institutional Premium Growth [3,188,145 (2010: 98,652,723) units of Rs. 10 each]	50,000,000	1,452,256,863
C. Investments in venture capital funds		
Faering Capital India Evolving Fund [15,000 (2010: Nil) units of Rs. 1,000 each]	15,000,000	-
D. Investments in bonds		
7.70 HPCL 2013 [50 (2010: Nil) units of Rs.1,000,000 each]	48,491,900	-
Less: Provision for diminution in the value of investments	(2,285,800)	-
(vi)	1,958,947,919	4,235,933,713
Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	70,380,196,667	62,524,959,283

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

(Amount in Rupees)

Schedule 7 | INVENTORIES	March 31, 2011	March 31, 2010
Raw materials	103,151,676	1,467,462
Contract work in progress	2,536,044	125,341,127
Total	105,687,720	126,808,589

(Amount in Rupees)

Schedule 8 | SUNDRY DEBTORS	March 31, 2011	March 31, 2010
(Unsecured, considered good)		
a) Debts outstanding for a period exceeding six months	115,784,035	-
b) Other debts	1,050,395,188	373,515,770
Total	1,166,179,223	373,515,770

Note 1: Refer Note 8 of Schedule 18(III) for details of balances of companies under the same management.
Note 2: Includes retention money of Rs. 332,042,191 (2010: Nil)

(Amount in Rupees)

Schedule 9 | CASH AND BANK BALANCES	March 31, 2011	March 31, 2010
Cash on hand	211,242	208,157
Balances with scheduled banks		
- On current accounts (Note 1 & 2)	1,259,660,102	85,098,388
- On deposit accounts (Note 3)	3,481,900,000	600,000,000
Total	4,741,771,344	685,306,545

Notes:
1. Includes share application money pending refund Rs. 526,322 (2010: 526,322)
2. Includes cheques on hand of Rs. 290,152,219
3. Includes deposit of Rs. 694,900,000 (2010: 100,000,000) on which charge has been created for working capital facility.

(Amount in Rupees)

Schedule 10 | OTHER CURRENT ASSETS	March 31, 2011	March 31, 2010
(Unsecured, considered good)		
Interest accrued but not due		
- On loans to subsidiaries	385,374,956	28,000,155
- On debentures, fixed deposits with banks, certificate of deposits and bonds	177,929,462	535,767
Unbilled revenue	1,130,890,352	-
Total	1,694,194,770	28,535,922

(Amount in Rupees)

Schedule 11 | LOANS AND ADVANCES	March 31, 2011	March 31, 2010
(Unsecured and considered good, unless otherwise stated)		
Loans to subsidiaries	13,306,654,000	10,000,000,000
Loans to others (Refer Note 2 below)	1,150,000,000	-
Advance towards investments in subsidiaries	3,908,574,000	10,517,330,639
Advances recoverable in cash or in kind or for value to be received (Refer Note 3 & 4 below)	1,372,313,455	109,488,783
Balances with customs, excise, etc.	90,861,844	71,305,245
MAT credit entitlements	207,617,731	44,060,630
Advance tax (net of provision for tax)	196,095,779	130,619,255

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

(Amount in Rupees)

Schedule 11 | LOANS AND ADVANCES	March 31, 2011	March 31, 2010
Deposits - others	84,859,710	20,291,051
Total	20,316,976,519	20,893,095,603

Note 1: Refer Note 8 of Schedule 18(III) for details of balances of companies under the same management.
Note 2: Interest free loan given to Welfare Trust of GMR Infra Employees. Also refer Note 23 of schedule 18(III).
Note 3: Includes dues from the Directors Rs. Nil (2010: Rs. 12,289,000) and maximum amount outstanding during the year Rs. 12,289,000 (2010: Rs. 12,289,000).
Note 4: Includes receivable Rs. 336,943,016 (2010: Rs. 40,637,695) from GMR Male International Airport Private Limited towards reimbursement of expenses.

(Amount in Rupees)

Schedule 12 I CURRENT LIABILITIES AND PROVISIONS	March 31, 2011	March 31, 2010
a) Current Liabilities		
Sundry creditors		
Dues to micro and small enterprises [Refer Note 14 of Schedule 18(III)]	-	-
Dues to other than micro and small enterprises	1,717,556,011	370,317,760
Share Application money pending refund #	526,322	526,322
Advance from customers	1,828,226,970	156,500,000
Interest accrued but not due on loans	150,684,918	150,684,918
Other liabilities	24,346,762	23,553,884
	3,721,340,983	701,582,884
# There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
b) Provisions		
Provision for employee benefits	122,664,017	45,055,409
Provision for debenture redemption premium	7,534,245	57,534,247
	130,198,262	102,589,656
Total	3,851,539,245	804,172,540

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

(Amount in Rupees)

Schedule 13 | OPERATING INCOME	March 31, 2011	March 31, 2010
Contract revenue	5,073,679,426	683,611,256
Profit on sale of current investments (net)	469,547,412	170,352,598
Income from management technical services	352,605,627	372,740,284
Interest income - gross		-
- Deposits, bonds and certificate of deposits	179,518,748	300,906,445
- Debentures issued to subsidiaries	161,148,932	3,561,644
- Loans to subsidiaries	1,037,548,107	162,410,959
[Tax deducted at source Rs. 99,373,047 (2010: Rs. 54,428,160)]		
Total	7,274,048,252	1,693,583,186

(Amount in Rupees)

Schedule 14 | OTHER INCOME	March 31, 2011	March 31, 2010
Provisions/ liabilities no longer required, written back	8,112,821	3,035,586
[Net of advances written off Rs. Nil (2010: Rs.56,964,414)]		
Exchange differences (net)	13,337,325	-
Miscellaneous income	33,116,499	91,169,949
Total	54,566,645	94,205,535

(Amount in Rupees)

Schedule 15 | OPERATING EXPENSES	March 31, 2011	March 31, 2010
Inventories as at April 1	126,808,589	-
Add: Construction cost	3,595,595,523	307,078,803
Salaries, allowances and benefits to employees	303,819,638	243,137,196
	4,026,223,750	550,215,999
Less: Inventories as at March 31	105,687,720	126,808,589
Total	3,920,536,030	423,407,410

(Amount in Rupees)

Schedule 16 | ADMINISTRATION AND OTHER EXPENSES	March 31, 2011	March 31, 2010
Salaries, allowances and benefits to employees	347,908,173	121,477,625
Contribution to provident fund and others	19,842,053	22,448,587
Staff welfare expenses	18,701,713	16,298,599
Bidding charges	5,867,406	27,367,048
Lease rent and hire charges	82,997,598	17,869,727
Rates and taxes	23,674,162	35,977,173
Repairs and maintenance - others	51,300,055	35,782,867
Insurance	4,562,398	1,117,413
Consultancy and professional charges	190,697,005	119,965,108
Directors' sitting fees	1,130,000	1,450,000
Provision for diminution in the value of investments	2,285,800	-
Travelling and conveyance	86,048,545	39,839,637
Communication expenses	9,894,993	7,408,051

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

(Amount in Rupees)

Schedule 16 | ADMINISTRATION AND OTHER EXPENSES	March 31, 2011	March 31, 2010
Exchange differences (net)	-	11,881,841
Advertisement and business promotion	24,214,213	14,068,910
Printing, stationery, postage and telegram	26,631,373	27,772,238
Meetings and seminars	3,297,052	9,990,289
Donations	10,265,000	6,289,842
Security expenses	20,861,269	2,704,479
Loss on sale/ write off of fixed assets	277,139	39,978
Logo fees	21,822,130	5,247,189
Miscellaneous expenses	5,592,213	2,496,026
Total	957,870,290	527,492,627

(Amount in Rupees)

Schedule 17 | FINANCIAL EXPENSES	March 31, 2011	March 31, 2010
Interest on fixed term loans	1,689,361,221	578,821,917
Interest on debentures	-	55,008,740
Interest - others	478,881	4,251,375
Bank and other finance charges	51,584,244	53,066,947
Total	1,741,424,346	691,148,979

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

I. Background

GMR Infrastructure Limited ('GIL' or 'the Company') carries its business in the following verticals:

Engineering Procurement Construction

The Company is engaged in handling Engineering Procurement Construction (EPC) solutions in the infrastructure sector.

Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

II. Statement of Significant Accounting Policies

a. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company as in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Revenue from construction activity

Construction revenue and costs are recognized by reference to the stage of completion of the construction activity at the balance sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. In the case of contracts with defined milestones and assigned price for each milestone, it recognizes revenue on transfer of significant risks and rewards which coincides with achievement of milestone and its acceptance by its customer. Provision is made for all losses incurred to the balance sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

(ii) Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirements of schedule VI of the Companies Act, 1956.

(iii) Income from management/ technical services

Income from management/technical services is recognized as per the terms of the agreement on the basis of services rendered.

(iv) Interest

Interest on investment and bank deposits are recognized on a time proportion basis taking into account the amounts invested and the rate applicable.

(v) Income from mutual funds

Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.

d. Fixed assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

e. Depreciation

Depreciation is provided on straight line method at the rates specified under Schedule XIV of the Companies Act, 1956 which is estimated by the management to be the estimated useful lives of the assets. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

f. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset.

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

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

g. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the lease item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct cost are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

h. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value computed category wise. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i. Inventories

Inventories of raw materials are valued at lower of cost and net realisable value. Cost of raw materials is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work-in-progress comprising construction costs and other directly attributable overheads are valued at cost.

j. Employee Benefits

(i) Defined contribution plan

Contribution paid/payable to defined contribution plans comprising of provident fund and pension fund are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged during the period in which the employees perform the service that the payments cover.

The Company makes monthly contributions and has no further obligation under the plan beyond its contribution.

(ii) Defined benefit plan

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

(iii) Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation method of Projected Unit Credit carried out at each balance sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account as income or expense.

(iv) Short term employee benefits

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

k. Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operating is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2012.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

m. Income taxes

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

n. Segment reporting policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

o. Provisions

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

p. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

q. Shares/ debentures issue expenses and premium redemption

Shares/ debentures issue expenses incurred are expensed in the year of issue and redemption premium payable on preference shares/ debentures are expensed over the term of preference shares/ debenture. Both are adjusted to the securities premium account as permitted by Section 78(2) of the Companies Act, 1956.

r. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

III. Notes to accounts

1. Contingent liabilities:

a. Corporate guarantees issued in respect of borrowings availed by subsidiary companies and others–Rs. 95,941,018,434 (2010: Rs. 89,766,300,000).

b. The Company has an investment of Rs. 1,684.84 crore (USD 373.25 million) (including a loan of Rs. 237.88 crore) in its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML'). GIML through its step-down subsidiary, GMR Energy Global Limited (GEGL), had entered into necessary arrangements to acquire 50% economic stake in InterGen. N.V. and had subscribed Rs.1,874.13 Crore (USD 415.18 million) in Compulsory Convertible Debentures (CCD), issued for this purpose, by GMR Holding (Malta) Limited (GHML), a step down subsidiary of GMR Holdings Private Limited, the Company's Holding Company. GHML had funded the investment in InterGen N.V. through a mix of external borrowings and the balance was funded through CCDs as above. The Company had also given the corporate guarantee up to a maximum of USD 1.13 billion to the lenders on behalf of GHML to enable it to raise debt for financing the aforesaid acquisition.

During the year ended March 31, 2011, GMR Infrastructure (Malta) Limited, a wholly owned subsidiary of GHML, and which, through its step-down subsidiary, held 50% economic stake in InterGen N.V. as stated above, entered into an agreement to sell the investment in InterGen N.V. for USD 1,232 million to Overseas International Inc. Limited, an associate of China Huaneng Group.

In April 2011, the transaction was consummated for the aforesaid consideration after obtaining the necessary regulatory approvals. On consummation of the transaction, GHML has repaid the loans from the banks in full, thereby resulting in expiration of the corporate guarantees of USD 1.13 billion given by the Company and CCDs issued to GEGL in part.

The Company has recorded a loss of Rs 938.91 crores in its consolidated financial statements, which has been disclosed as an exceptional item. Despite the aforementioned loss, based on valuation assessment of GIML and its investments in underlying subsidiaries / joint ventures the management of the Company continues to carry the investment in GIML at cost.

c. GMR Energy Limited ('GEL') during the year has issued following fully paid up Compulsorily Convertible Cumulative Preference Shares ('CCCPS'):

(Amount in Rupees)

Investors	No. of CCCPS	Amount
Claymore Investments (Mauritius) Pte Limited	9,300,000	9,300,000,000
IDFC Private Equity Fund III	2,500,000	2,500,000,000
Infrastructure Development Finance Company Limited	500,000	500,000,000
IDFC Investment Advisors Limited	500,000	500,000,000
Ascent Capital Advisors India Private Limited	500,000	500,000,000
Argonaut Ventures	650,000	650,000,000
Total	13,950,000	13,950,000,000

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

The preference shares are convertible upon the occurrence of qualifying initial public offering (QIPO) of GEL at an agreed internal rate of return (IRR). In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require the Company to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR.

d. During the year GMR Airports Holding Limited (GAHL) has issued 2,298,940 non-cumulative compulsory convertible participatory preference shares bearing 0.0001% dividend on the face value, of Rs. 1,000 each fully paid up amounting to Rs. 2,298,940,000 along with a premium of Rs. 2,885.27 each amounting to Rs. 6,633,062,614 to SBI Infrastructure Investments 1 Limited,(investor) for funding and consolidation of the airport segment. GIL and GAHL have provided the investors various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreement and Investment Agreement.

2. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. 70,467,800 (2010: Rs. 83,686,592).

3. The Company has an investment of Rs. 2,763,078,800 (including loans of Rs. 597,194,800 and investment in equity / preference shares of Rs. 1,926,557,130 made by subsidiaries of the Company) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL) as at March 31, 2011. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on a legal opinion the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the investment in GACEPL has been carried at cost.

4. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Profit and Loss Account
Net employee benefit expense

(Amount in Rupees)

Particulars	2011	2010
Current service cost	8,642,315	645,961
Interest cost on benefit obligation	1,753,114	45,514
Expected return on plan assets	(1,811,484)	(902,113)
Net actuarial (gain) / loss recognized in the year	(516,700)	(692,721)
Past service cost	-	349,364
Net benefit expense	8,067,245	(553,995)
Actual return on plan assets	2,159,837	1,453,438

Balance Sheet

(Amount in Rupees)

Particulars	2011	2010
Defined benefit obligation	31,875,109	22,179,823
Fair value of plan assets	25,267,126	22,179,823
Less: Unrecognised past service cost	-	-
Plan asset/ (liability)	(6,607,983)	-

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

(Amount in Rupees)

Particulars	2011	2010
Opening defined benefit obligation	22,179,823	568,931
Interest cost	1,753,114	45,514
Current service cost	8,642,315	645,961
Past service cost	-	349,364
Benefits paid	(531,796)	-
Adjusted on transfer	-	20,711,449
Actuarial (gains)/ losses on obligation	(168,347)	(141,396)
Closing defined benefit obligation	31,875,109	22,179,823

Changes in the fair value of plan assets as follows:

(Amount in Rupees)

Particulars	2011	2010
Opening fair value of plan assets	22,179,823	723,778
Expected return	1,811,484	902,113
Contributions by employer	1,459,262	85,625
Benefits paid	(531,796)	-
Actuarial gains / (losses) on plan assets	348,353	551,325
Adjusted on transfer	-	19,916,982
Closing fair value of plan assets	25,267,126	22,179,823

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

The Company expects to contribute Rs. 2,500,000 (2010: Rs. 1,000,000) towards gratuity in 2011-2012.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2011	2010
	%	%
Investments with insurer managed funds	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations are to be settled.

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	2011	2010
Discount rate	8%	8%
Expected rate of return on assets	8%	8%
Expected rate of salary increase	6%	6%
Employee turnover	5%	5%
Mortality rate	Refer Note 3 below	Refer Note 3 below

Notes :

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 return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. As per LIC (94-96) Ultimate Mortality Table.

Amounts for the current and previous three years are as follows:

(Amount in Rupees)

Particulars	2011	2010	2009	2008
Defined benefit obligation	31,875,109	22,179,823	568,931	227,290
Plan assets	25,267,126	22,179,823	723,778	661,589
Surplus/(deficit)	(6,607,983)	-	154,847	434,299
Experience adjustments on plan liabilities	(168,347)	(141,396)	(36,426)	(25,875)
Experience adjustments on plan assets	348,353	551,325	(9,262)	7,869

Liability towards compensated absence is provided based on actuarial valuation amounts to Rs. 45,096,590 (2010: Rs. 34,069,068) as at March 31, 2011.

5. The following long term unquoted investments included in Schedule 6 have been pledged/ subjected to negative lien/ frozen by the Company towards borrowings of the Company or the investee companies:

(Amount in Rupees)

Description	No of shares	Carrying Value as at March 31, 2011
GMR Hyderabad International Airport Limited	164,149,015	1,641,490,150
(Equity shares of Rs.10 each fully paid up)	(164,149,015)	(1,641,490,150)
GMR Ambala Chandigarh Expressways Private Limited	23,272,687	232,726,870
(Equity shares of Rs.10 each, fully paid up)	(23,272,687)	(232,726,870)
Delhi International Airport Private Limited	170,270,270	1,810,265,352
(Equity shares of Rs.10 each, fully paid up)	(93,166,904)	(1,051,831,602)
GMR Chennai Outer Ring Road Private Limited	2,418,000	24,180,000
(Equity shares of Rs.10 each, fully paid up)	-	-
GMR OSE Hungund Hospet Highways Private Limited	7,988,993	79,889,930
(Equity shares of Rs.10 each, fully paid up)	-	-
GMR Holding (Malta) Limited	58	3,924
(Equity shares of EUR 1 each, fully paid-up)	(58)	(3,924)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	86,984,800	2,667,559,592
(Equity shares of YTL 1 each, fully paid-up)	(86,984,800)	(2,667,559,592)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	4,300	12,743,830
(Equity shares of YTL 100 each, fully paid-up)	(4,300)	(12,743,830)

Note: Previous year figures are mentioned in brackets.

6. The segment report of the Company has been prepared in accordance with Accounting Standard 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 as amended.

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

The business segments of the Company comprise of the following:

- EPC – Handling of engineering, procurement and construction solutions in Infrastructure sector.
- Others – Investment activity and corporate support to various infrastructure SPVs

Business segment

(Amount in Rupees)

Particulars	EPC		Others		Unallocated		Inter Segment		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue										
Revenue	5,073,679,426	1,013,889,334	2,200,368,826	679,693,852	-	-	-	-	7,274,048,252	1,693,583,186
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	5,073,679,426	1,013,889,334	2,200,368,826	679,693,852	-	-	-	-	7,274,048,252	1,693,583,186
Operating expenses	3,920,536,030	423,407,410	-	-	-	-	-	-	3,920,536,030	423,407,410
General and administrative Expenditure	539,648,518	157,081,926	418,221,772	370,410,701	-	-	-	-	957,870,290	527,492,627
Depreciation	35,198,537	5,883,847	13,938,841	3,479,092	-	-	-	-	49,137,378	9,362,939
Segment operating profit/(loss)	578,296,341	427,516,151	1,768,208,213	305,804,059	-	-	-	-	2,346,504,554	733,320,210
Interest expense	-	-	-	-	(1,741,424,346)	(691,148,979)	-	-	(1,741,424,346)	(691,148,979)
Other income	14,207,950	90,436,879	40,358,695	3,768,656	-	-	-	-	54,566,645	94,205,535
Profit/ (loss) before tax	592,504,291	517,953,030	1,808,566,908	309,572,715	(1,741,424,346)	(691,148,979)	-	-	659,646,853	136,376,766
Taxation										
Curent tax	-	-	-	-	236,568,812	44,060,630	-	-	236,568,812	44,060,630
Reversal of earlier year	-	-	-	-	(15,195,997)	-	-	-	(15,195,997)	-
Less: MAT credit entitlement	-	-	-	-	(163,557,101)	(44,060,630)	-	-	(163,557,101)	(44,060,630)
Deferred tax	-	-	-	-	13,050,755	1,854,543	-	-	13,050,755	1,854,543
Other information										
Segment assets	4,580,253,959	756,195,350	95,181,015,126	84,057,502,918	403,713,510	174,981,800	(844,223,591)	(34,311,509)	99,320,759,003	84,954,368,560
Capital expenditure	622,599,565	233,184,606	20,893,507	90,059,299	-	-	-	-	643,493,073	323,243,905
Depreciation	35,198,537	5,883,847	13,938,841	3,479,092	-	-	-	-	49,137,378	9,362,939
Segment liabilities	3,548,257,211	413,507,535	989,286,462	216,757,349	23,931,656,358	25,958,219,165	(844,223,591)	(34,311,509)	27,624,976,440	26,554,172,540

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Geographical segment

(Amount in Rupees)

Particulars	Segment revenue	Segment assets	Addition to fixed assets
India	7,274,048,252	79,112,850,206	643,493,073
	(1,693,583,186)	(71,948,406,818)	(323,243,905)
Outside India	-	20,207,908,797	-
	(-)	(13,005,961,742)	(-)

Note: Previous year figures are mentioned in brackets.

7. Related Parties

(i) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Holdings Private Limited (GHPL)
Subsidiary Companies	GMR Renewable Energy Limited (GRENL) GMR Energy Limited (GEL) GMR Power Corporation Limited (GPCL) GMR Vemagiri Power Generation Limited (GVPGL) GMR Energy Trading Limited (GETL) GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) Badrinath Hydro Power Generation Private Limited (BHPL) GMR Mining and Energy Private Limited (GMEL) GMR Kamalanga Energy Limited (GKEL) GMR Consulting Services Private Limited (GCSPL) GMR Rajahmundry Energy Limited (GREL) SJK Powergen Limited (SJK) GMR Coastal Energy Private Limited (GCEPL) GMR BajoliHoli Hydropower Private Limited (GBHPPL) GMR Chhattisgarh Energy Limited (GCHEL) (formerly called GMR Chhattisgarh Energy Private Limited) GMR Londa Hydropower Private Limited (GLHPPL) GMR Kakinada Energy Private Limited (GKEPL) EMCO Energy Limited (EEL) Delhi International Airport Private Limited (DIAL) Delhi Aerotropolis Private Limited (DAPL) East Delhi Waste Processing Company Private Limited (EDWPCPL) GMR Hyderabad International Airport Limited (GHIAL) Hyderabad Menzies Air Cargo Private Limited (HMACPL) Hyderabad Airport Security Services Limited (HASSL) GMR Hyderabad Airport Resource Management Limited (GHARML) GMR Hyderabad Aerotropolis Limited (GHAL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Hyderabad Multiproduct SEZ Limited (GHMSL) GMR Hotels and Resorts Limited (GHHL) Gateways for India Airports Private Limited (GFIAPL) GMR Highways Limited (GMRHL) GMR TuniAnakapalli Expressways Private Limited (GTAEPL) GMR TambaramTindivanam Expressways Private Limited (GTTEPL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) GMR Jadcherla Expressways Private Limited (GJEPL)

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
Subsidiary Companies	GMR Pochanpalli Expressways Limited (GPEL)
	GMR Ulundurpet Expressways Private Limited (GUEPL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (GCORRPL)
	GMR OSE HungundHospet Highways Private Limited (GOSEHHHPL)
	GMR Krishnagiri SEZ Limited (GKSEZL)
	Advika Properties Private Limited (APPL)
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Camelia Properties Private Limited (CPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Nadira Properties Private Limited (NPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Sreepa Properties Private Limited (SRPPL)
	Bougianvile Properties Private Limited (BOPPL)
	GMR Corporate Center Limited (GCCL)*
	GMR Gujarat Solar Power Private Limited (GJSPPL) (Formerly GMR Campus Private Limited)
	GMR Headquarters Private Limited (GHDPL)*
	GMR Airports Holding Limited (GAHL)
	GMR Corporate Affairs Private Limited (GCAPL)
	GMR SEZ and Port Holdings Private Limited (GSPHPL)
	GMR Aviation Private Limited (GAPL)
	Dhruvi Securities Private Limited (DSPL)
	Himtal Hydro Power Company Private Limited (HHPCPL)
	GMR Upper Karnali Hydro Power Limited (GUKHL)
	GMR Energy (Mauritius) Limited (GEML)
	GMR Lion Energy Limited (GLEL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) BV (GENBV)
	PT Unsoco (PT)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBL)
	Lion Energy Tuas Pte Limited (LETPL)****
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas Sociedad Limitada (GIOSL)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR International (Malta) Limited (GMRIML)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
Subsidiary Companies	GMR Energy (Global) Limited (GEGL) Island Power Intermediary Pte Limited (IPIPL) Island Power Company Pte Limited (IPCPL) Island Power Supply Pte Limited (IPSPL) Homeland Energy Group limited (HEGL)** Homeland Energy Corp. (HEC)*** Homeland Mining & Energy SA (Pty) Limited (HMEP)*** Homeland Energy (Swaziland) Pty Limited (HESPL)*** Homeland Mining & Energy (Botswana) (Pty) Limited (HMEBPL)*** Homeland Coal Mining (Pty) Limited (HCMPL)*** Ferret Coal Holdings (Pty) Limited (FCHPL)*** Wizard Investments (Pty) Limited (WIPL)*** Ferret Coal (Kendal) (Pty) Limited (FCKPL)*** Manoka Mining (Pty) Limited (MMPL)*** Corpclo 331 (Pty) Limited (CPL)*** GMR Maharashtra Energy Limited (GMEL) GMR Bundelkhand Energy Private Limited (GBEPL) GMR Uttar Pradesh Energy Private Limited (GUPEPL) GMR Hosur Energy Limited (GHEL) Karnali Transmission Company Private Limited (KTCPL) Marsyangdi Transmission Company Private Limited (MTCPL) GMR Indo-Nepal Energy Links Limited (GIELL) GMR Indo-Nepal Power Corridors Limited (GIPCL) Aravali Transmission Service Company Limited (ATSCL) Maru Transmission Service Company Limited (MTSCL) GMR Energy Projects (Mauritius) Limited (GEPML) (Formerly GMR Energy Investments (Mauritius) Limited) Hyderabad Duty Free Retail Limited (HDFRL) GMR Airport Developers Limited (GADL) GADL International Limited (formerly GADL (Isle of Man) Limited) (GADL IL) GADL (Mauritius) Limited (GADLML) Deepesh Properties Private Limited (DPPL) Larkspur Properties Private Limited (LPPL) Padmapriya Properties Private Limited (PPPL) Kakinada SEZ Private Limited (KSEZL) GMR Power Infra Limited (GPIL) GMR Male International Airport Private Limited (GMIAPL) GMR Infrastructure Investments (Singapore) Pte Ltd (GIISPL) GMR Airport Handling Services Company Limited (GAHSCL)
Enterprises where significant influence exists	Istanbul Sabiha Gocken Uluslararasi Hvalimani Yer Hizmetleri Anonim Sirketi (SGH) Rampia Coal Mine and Energy Private Limited (RCMEPL) MAS GMR Aerospace Engineering Company Limited (MGAECL) TVS GMR Aviation Logistics Limited (TGALL) Asia Pacific Flight Training Academy Limited (APFTAL) Limak GMR Construction JV (LGCJV) Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL) Delhi Cargo Service Centre Private Limited (DCSCPL) Delhi Aviation Services Private Limited (Formerly DIAL Cargo Private Limited (DCPL)) Travel Food Services (Delhi T3) Private Limited (TFSDPL) Devyani Food Street Private Limited (DFSPL)

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
Enterprises where significant influence exists	Delhi Select Services Hospitality Private Limited (DSSHPL) Wipro Airport IT Services Private Limited (WAISPL) TIM Delhi Airport Advertisement Private Limited (TDAAPL) LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM) Delhi Airport Parking Services Private Limited (DAPSPL) MAS GMR Aero Technique Limited (MGATL) Tshedza Mining Resource (Pty) Limited (TMRPL) *** Nhalalala Mining (Pty) Ltd (NMPL) *** Delhi Duty Free Services Private Limited (DDFSPL) Delhi Aviation Fuel Facility Private Limited (DAFFPL) Welfare Trust of GMR Infra Employees (WTGIE) GMR Varalakshmi Foundation (GVF)
Joint Ventures	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG)
Fellow Subsidiaries (Where transactions have taken place)	Raxa Security Services Limited (RSSL) GMR Bannerghatta Properties Private Limited (GBPPL) GMR Projects Private Limited (GMRPPL) Ideaspace Solutions Limited (ISL) Rajam Enterprises Private Limited (REPL) Grandhi Enterprises Private Limited (GREPL) GMR Holdings (Malta) Limited (GHML) GMR Holdings (Overseas) Limited (GHOL) GMR Holdings Overseas (Investments) Limited (GHOIL)
Key management personnel and their relatives	Mr. G.M.Rao (Chairman) Mrs. G.Varalakshmi Mr. G.B.S.Raju (Managing Director) (Resigned w.e.f May 12, 2010) Mr. Kiran Kumar Grandhi (Director) Mr. Srinivas Bommidala (Director) (Managing Director w.e.f. May 24, 2010) Mr. B.V.Nageswara Rao (Director) Mr. O Bangaru Raju (Director)

* Ceases to be a subsidiary during the year.
** Became subsidiary during the year.
*** Consequent to further investments in HEGL during the year.
**** Wound up during the year.

Note: The information disclosed based on the names of the parties as identified by the management.

(ii) Summary of transactions with above related parties are as follows:

(Amount in Rupees)

Nature of Transaction	2011	2010
Interest Income - Gross		
Subsidiary companies		
- GEL	786,246,575	136,767,123
- GMRHL	127,421,918	25,643,836
- GKSEZL	146,908,219	3,561,644
- GAPL	9,429,753	-
- GHIAL	44,349,316	-
- GIML	72,338,517	-
- GCAPL	12,002,740	-

(Amount in Rupees)

Nature of Transaction	2011	2010
Income from management/ technical services		
Subsidiary companies		
- GEL	-	4,087,560
- GOSEHHHPL	-	142,000,000
- GCORRPL	-	199,453,724
- GHVEPL	-	27,199,000
Income from contract revenue		

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Nature of Transaction	2011	2010
Subsidiary companies		
- GEL	10,146,467	-
- EEL	891,647,254	-
Contract expenses paid		
Subsidiary company		
- GVPGL	-	241,384
Consultancy services		
Subsidiary companies		
- GCSPL	1,414,400	-
- GCAPL	11,413,237	-
Donation paid to		
Enterprises where significant influence exists		
- GVF	550,000	-
Other administration expenses		
Subsidiary company		
- GAPL	6,132,000	-
Fellow subsidiaries		
- RSSL	28,580,957	6,154,846
Expenses incurred on behalf of GIL		
Subsidiary companies		
- GCAPL	-	30,083,254
- GHIAL	-	11,821
Fellow subsidiary		
- RSSL	-	370,749
Expenses incurred by GIL on behalf of others		
Subsidiary companies		
- GMIAPL	336,943,016	40,637,695
- EEL	34,894,165	-
- GCHEL	226,654,579	-
- GREL	244,786, 945	-
- GKEL	1,572,475	-
- ISG	887,945	-
- GRENL	20,470	-
- GPIL	384,020	-
- GIOSL	1,291,992	-
Logo fee paid/payable to Holding company		
-GHPL	21,822,130	5,247,189
Deposit paid		

(Amount in Rupees)

Nature of Transaction	2011	2010
Subsidiary companies		
- GCCL	-	15,000,000
- GCAPL	27,766,590	-
Fellow subsidiaries		
- GBPPL	-	26,800,000
- RSSL	1,494,834	1,750,000
Deposit refund received		
Subsidiary companies		
- GCCL	-	295,800,000
- GCAPL	-	47,800,000
Fellow subsidiary		
- GBPPL	9,000,000	17,800,000
Purchase of fixed assets		
Subsidiary company		
- GCCL	-	44,255,837
Fellow subsidiary		
- GMRPPL	81,675,882	118,558,050
Purchase of long term investments from Holding company		
- GHPL	-	104,130
Subsidiary company		
- GAHL	-	67,498,650
Fellow subsidiaries		
- ISL	-	39,975,890
- REPL	-	31,499,990
- GREPL	-	31,499,990
Key Management Personnel		
- Mr. Srinivas Bommidala	-	50,000
- Mr. O.Bangaru Raju	-	24,000
Investment in equity shares		
Subsidiary companies (Refer Note (c) below)		
- GCORRPL	92,969,000	-
- GPIL	999,400	-
- GOSEHHHPL	156,595,920	-
- GRENL	5,000,000	-
- GHVEPL	20,426,000	-
- DSPL	255,299,996	-
- DIAL	4,375,000,000	-
- IPCPL	104,137,500	-
- GIML	4,494,850,000	3,109,355,000

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Nature of Transaction	2011	2010
- GSPHPL	479,400,000	400,000
- GMRHL	21,500,000	158,500,000
- GCAPL	-	49,900,000
- GEL	-	1,532,802,606
- GETL	-	251,100,000
- DSPL	-	119,049,910
Fellow subsidiary		
- GHOIL	234	-
Joint venture		
- ISG	-	1,097,498,370
Enterprises where significant influence exists		
- SGH	-	2,426,410
Investment in preference shares of		
Subsidiary companies		
- GCORRPL	219,250,000	-
- DSPL	10,000,000,000	-
- GCAPL	150,000,000	-
- GACEPL	-	6,600,000
- GJEPL	-	531,000,000
- GPEL	-	445,000,000
- GUEPL	-	1,000,200,000
- GMRHL	473,600,000	3,436,400,000
Investment in debentures		
Subsidiary companies		
- GKSEZL	1,000,000,000	2,000,000,000
- GCAPL	1,500,000,000	-
- GAPL	1,856,500,000	-
- GSPHPL	1,000,000,000	-
Redemption of Debenture of		
Subsidiary Company		
- GKSEZL	1,150,000,000	-
Sale of long term investments		
Holding company		
- GHPL	-	330
Subsidiary companies		
- GMRHL	-	2,432,834,830
- GRENL	10,008,414,272	-
- GEL	-	1,000

(Amount in Rupees)

Nature of Transaction	2011	2010
Key management personnel and their relatives		
- Mr. Srinivas Bommidala	-	330
- Mr. G.B.S. Raju	-	330
- Mrs. G.Varalakshmi	-	330
- Mr. Kiran Kumar Grandhi	-	330
Loans repaid by		
Subsidiary companies		
- GHIAL	5,750,000,000	-
- GIML	312,294,000	-
- GAPL	250,000,000	-
Equity share application money invested in		
Subsidiary companies		
- GEL	150,000,000	-
- GMRHL	2,525,500,000	-
- GSPHPL	1,829,700,000	400,000
- GKSEZL	1,067,265,000	1,550,037,000
- GPIL	999,400	-
- GOSEHHHPL	156,700,000	-
- GRENL	5,000,000	-
- IPCPL	104,137,500	-
- DIAL	-	487,500,000
- GAHL	3,000,000	150,000,000
- GAPL	1,125,000,000	122,150,000
- GIML	-	9,120,162,500
- GHVEPL	-	63,300,000
- GCORRPL	14,204,000	208,500,000
- GCAPL	55,000,000	235,466,139
- GKEL	-	7,375,754
- DSPL	2,225,300,000	492,050,000
- GETL	-	251,100,000
Joint venture	-	1,097,498,370
- ISG		
Enterprises where significant influence exists		
- SGH	-	2,426,410
Fellow subsidiary		
- GHOIL	234	-
Preference share application money invested in		
Subsidiary companies		

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Nature of Transaction	2011	2010
- DSPL	10,010,000,000	-
- GCORRPL	89,515,000	-
- GEL	-	1,501,000,000
- GACEPL	-	6,600,000
- GJEPL	-	531,000,000
- GPEL	-	545,000,000
- GUEPL	-	1,000,200,000
- GMRHL	473,600,000	3,436,400,000
- GCAPL	150,000,000	-
Refund of equity share application money received		
Subsidiary companies		
- GOSEHHHPL	104,080	-
- GEL	-	478,197,397
- GAPL	1,752,642,500	489,350,000
- GAHL	3,000,000	177,280,000
- GIML	-	1,515,957,500
- GKSEZL	1,705,037,000	182,500,000
- GSPHPL	-	10
- GCAPL	165,266,139	75,300,000
- GKEL	-	7,375,754
- DSPL	1,970,000,004	373,000,090
- GMRHL	148,600,000	-
Refund of preference share application money		
Subsidiary company		
- GPEL	-	100,000,000
Loans given		
Subsidiary companies		
- GAPL	250,000,000	-
- GHIAL	5,750,000,000	-
- GIML	2,593,909,000	-
- GEL	-	8,000,000,000
- GMRHL	1,000,000,000	2,000,000,000
Enterprises where significant influence exists		
-WTGIE	1,150,000,000	-
Corporate guarantees given to		
Subsidiary companies		
- IPCPL	8,558,115,000	-
- GHVEPL	5,148,500,000	-
- GMIAPL	22,830,400,000	-

(Amount in Rupees)

Nature of Transaction	2011	2010
- GOSEHHHPL	1,820,000,000	-
- GCORRPL	708,800,000	-
- GAPL	610,000,000	1,473,119,480
- GEL	-	2,250,000,000
- GENBV	-	1,833,911,300
- GHAIL	-	2,000,000,000
- KSEZL	2,150,000,000	2,300,000,000
- GIML	-	3,590,567,322
- LGM	-	411,077,000
Fellow subsidiaries		
- GHOIL	10,280,600,000	-
- GHML	27,025,000,000	-
Joint venture		
- ISG	5,133,648,000	10,004,888,750
Managerial Remuneration to		
Key management personnel		
(Refer Note 16 (d))		
- Mr. G.M. Rao	34,792,315	7,385,841
- Mr. G.B.S. Raju	-	4,432,000
Balances payable / (recoverable)		
Holding company		
- GHPL	19,455,884	5,420,184
Subsidiary companies		-
- GCHEL	(58,650,000)	
- EEL	58,989,250	-
- GEL	(8,376,741,459)	7,998,695,053
- GHIAL	-	32,569
- GAPL	-	(627,642,500)
- GKSEZL	(132,731,222)	(640,977,479)
- GJEPL	-	96,900
- GPEL	-	352,467
- DIAL	-	(4,374,968,630)
- GMRHL	(5,442,027,527)	(2,023,079,452)
- GIML	(2,378,835,704)	(4,494,850,000)
- GCAPL	(37,008,721)	(78,669,457)
- GHVEPL	(42,874,000)	(85,800,447)
- GCORRPL	-	(226,497,651)
- GVPGL	-	(801,724)
- DSPL	(10,000,000)	-
- GSPHPL	(1,350,300,000)	-

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Nature of Transaction	2011	2010
- GMIAPL	(336,943,016)	(40,637,695)
- GPPL	24,661,660	-
- GIOSL	(439,609)	(3,741,768)
Fellow subsidiaries		
- RSSL	3,866,393	4,546,852
- GBPPL	-	(8,982,000)
- GMRPPL	-	117,576,389

(Amount in Rupees)

Nature of Transaction	2011	2010
Enterprises where significant influence exists		
- WTGIE	1,150,000,000	-
Key management personnel		
- Mr. G.M. Rao*	-	(7,761,000)
- Mr. G.B.S. Raju*	-	(4,528,000)
*(Refer Note on Schedule 11)		

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain companies.

b. The holding company has pledged certain shares held in the Company and other bodies corporate as security towards the borrowings of the Company.

c. Includes allotment of equity shares out of share application money received in earlier years.

8. Balances of companies under the same management included in Sundry debtors and Loans and advances.

(i) Sundry debtors (Amount in Rupees)

Name of the Company	2011		2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
GVPGL	-	-	801,724	27,500,000
GEL	2,175,706	3,589,399	695,053	1,712,191
EEL	166,760,310	296,540,693	-	-
GCORRPL	-	-	17,997,651	17,997,651
GHVEPL	-	-	27,000,447	27,000,447

(ii) Loans and Advances

(Amount in Rupees)

Name of the Company	2011		2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
GCAPL	27,766,950	110,266,139	110,266,139	171,860,000
GAPL	-	1,856,517,500	627,642,500	975,942,500
GKSEZL	-	2,024,872,000	637,772,000	2,637,772,000
DIAL	-	4,375,000,000	4,375,000,000	4,375,000,000
GCORRPL	-	230,919,000	208,500,000	208,500,000
GIML	2,306,654,000	4,494,850,000	4,494,850,000	4,678,990,000
GEL	8,150,000,000	8,150,000,000	8,000,000,000	8,000,000,000
GMRHL	5,355,400,000	5,355,400,000	2,000,000,000	2,000,000,000
GHVEPL	42,874,000	63,300,000	63,300,000	63,300,000
GBPPL	-	9,000,000	9,000,000	9,000,000
DSPL	10,000,000	2,225,300,000	-	-
GSPHPL	1,350,300,000	2,337,400,000	-	-
GIOSL	439,609	3,741,768	3,741,768	59,986,040
GMIAPL	336,943,016	346,534,770	-	-

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Name of the Company	2011		2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
RSSL	1,494,834	1,494,834	-	-
GCHEL	58,650,000	190,000,000	-	-
GREL	-	200,000,000	-	-
EEL	32,090,864	63,974,000	-	-
GHIAL	-	4,000,000,000	-	-

9. Office premises and equipments for EPC division of the Company are obtained on operating lease. The lease rent paid during the year is Rs. 82,997,598 (2010: Rs. 17,869,727). Office premises are obtained for a lease term of eleven months and renewable as mutually agreed between the parties. The equipments are taken on hire on need basis. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

10. Earnings per share (EPS)

Calculation of EPS – (Basic and Diluted)

(Amount in Rupees)

Particulars	Year ended March 31	
	2011	2010
Nominal value of equity shares (Re. per share)	1	1
Weighted average number of equity shares outstanding at the end of the year	3,880,098,989	3,661,715,973
Net profit after tax for the purpose of EPS (Rs.)	588,780,384	134,522,223
EPS – Basic and Diluted (Rs.)	0.15	0.04

Notes:

(i) Rs. 2,250 (2010: Rs. 2,750) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding at the end of the year, these have been considered as partly paid-up shares.

(ii) The Company does not have any dilutive securities.

(iii) Refer Note (iii) of Schedule 1 of schedules forming part of Balance Sheet as at March 31, 2011.

11. Deferred tax liability/ asset (net) comprises of:

(Amount in Rupees)

Particulars	2011		2010	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Depreciation	-	36,182,058	-	11,606,304
Other 43B disallowances	23,433,219	-	11,908,219	-
Total	23,433,219	36,182,058	11,908,219	11,606,304
Deferred tax asset/ liability		12,748,839	301,915	

12. Information on Joint Ventures as per Accounting Standard – 27

The Company directly holds 35% of the equity shares of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) and 5% of the equity shares of ISG through its subsidiary company. ISG is incorporated in Turkey and is involved in development of airport infrastructure.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity basis an equity investment of 40% (including 5% held indirectly through subsidiaries) are as follows at 31st March 2011:

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Particulars	2011	2010
(1) Contingent liabilities – Corporate guarantee given on behalf of the Joint Venture	13,886,627,881	10,004,888,750
(2) Company's share of contingent liabilities of joint venture		
-Claims against the company not acknowledged as debt	-	10,578,750
(3) Company's share of capital commitments of the joint venture	-	-
(4) Aggregate amount of company's share in each of the following:		
(a) Current assets	1,937,461,507	2,285,823,885
(b) Fixed Assets (including capital work in progress and pre – operative expenditure, pending allocation)	8,669,327,888	8,632,578,638
(c) Investments	27,043,419	26,172,910
(d) Deferred tax asset/ (liability)	-	139,835,700
(e) Current liabilities and provisions	1,244,338,450	2,217,387,095
(f) Borrowings	8,460,798,652	7,152,546,352
(g) Income		
1. Sales	5,344,225,047	3,282,555,073
2. Other income	-	684,313
(h) Expenses		
1. Operating expenses	3,805,352,880	2,418,338,545
2. Administration and other expenses	370,115,466	299,021,184
3. Depreciation	1,089,930,324	727,410,183
4. Interest and finance charges	757,512,588	445,393,375
5. Provision for taxation (including deferred taxation)	139,947,528	(97,644,386)

Note:

Disclosure of financial data as per Accounting Standard – 27 'Financial Reporting of Interest in the Joint venture has been done based on the audited financial statements of ISG for the year ended March 31, 2011.

13. Details of Investments – other than trade, purchased and sold during the year ended March 31, 2011

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
A. Mutual fund				
Axis liquid fund - Institutional growth	918,059	976,200,000	918,059	978,524,178
	(-)	(-)	(-)	(-)
Birla sun life savings fund Institutional – growth	347,420,699	6,093,474,542	347,420,699	6,135,235,032
	(575,466,311)	(9,908,332,726)	(575,466,311)	(9,926,972,586)
Birla sunlife cash plus Institutional Premium-growth	1,097,854,191	16,369,633,206	1,097,854,191	16,415,846,006
	(-)	(-)	(-)	(-)
Birla sunlife cash manager Institutional growth	-	-	-	-
	(11,940,884)	(176,300,000)	(11,940,884)	(176,530,459)
Birla sunlife cash plus Institutional premium – growth	-	-	-	-
	(757,506,778)	(10,991,355,998)	(757,506,778)	(11,002,394,753)

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Birla sun life short term fund-Institutional growth	-	-	-	-
	(278,197,650)	(3,000,000,000)	(278,197,650)	(3,001,557,907)
DSP black rock liquidity fund - Institutional plan – growth	2,713,426	3,670,200,000	2,713,426	3,676,555,307
	(-)	(-)	(-)	(-)
HDFC cash management fund - Treasury advantage plan-Wholesale growth	98,911,043	2,000,082,674	98,911,043	2,011,222,792
	(-)	(-)	(-)	(-)
HDFC liquid fund premium plan growth	242,168,449	4,512,089,000	242,168,449	4,519,421,781
	(-)	(-)	(-)	(-)
HDFC liquid fund premium plan growth	-	-	-	-
	(622,851,769)	(11,324,930,456)	(622,851,769)	(11,341,206,856)
HDFC cash management fund - savings plan – growth	-	-	-	-
	(4,406,287)	(83,000,000)	(4,406,287)	(83,052,168)
HDFC cash management - Treasury - Wholesale plan growth	-	-	-	-
	(544,196,117)	(10,802,262,035)	(544,196,117)	(10,817,638,827)
ICICI prudential Institutional liquid plan super Institutional growth	3,043,757	440,000,000	3,043,757	440,808,997
	(85,772,428)	(11,502,396,602)	(85,772,428)	(11,506,631,915)
ICICI prudential flexible income plan premium - growth	54,794,626	9,409,375,724	54,794,626	9,492,348,146
	(77,180,407)	(13,083,690,492)	(77,180,407)	(13,140,539,933)
ICICI prudential liquid super Institutional plan - growth	175,159,180	24,125,419,575	175,159,180	24,268,827,138
	(-)	(-)	(-)	(-)
ICICI prudential liquid super Institutional plan - growth	-	-	-	-
	(50,918,510)	(6,908,800,000)	(50,918,510)	(6,909,987,743)
ICICI prudential Institutional liquid plan super Institutional growth	-	-	-	-
	(528,500,639)	(7,009,280,763)	(528,500,639)	(7,040,014,310)
IDFC cash fund - Super Institutional plan C – growth	606,891,967	6,866,438,546	606,891,967	6,891,641,044
	(496,234,664)	(5,544,000,000)	(496,234,664)	(5,545,359,746)
IDFC money manager fund - Treasury plan - Super Institutional plan C – growth	214,501,281	2,349,176,363	214,501,281	2,367,288,942
	(244,531,707)	(2,660,666,181)	(244,531,707)	(2,666,770,070)
Kotak liquid Institutional premium – growth	84,298,878	1,636,000,000	84,298,878	1,640,691,241
	(-)	(-)	(-)	(-)
L & T liquid super Institutional plan Cumulative	11,199,081	150,000,000	11,199,081	150,442,701
	(-)	(-)	(-)	(-)
LICMF liquid fund growth plan	73,881,577	1,265,800,000	73,881,577	1,267,890,153
	(-)	(-)	(-)	(-)
Reliance liquidity fund growth option	149,841,799	2,142,900,000	149,841,799	2,149,880,053
	(-)	(-)	(-)	(-)
SBI - Magnum Institutional cash fund - Cash option	190,915,657	3,957,332,747	190,915,657	3,966,460,028
	(-)	(-)	(-)	(-)

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
SBI SHF ultra short term fund Institutional plan growth	112,153,310	1,350,413,407	112,153,310	1,360,632,747
	(-)	(-)	(-)	(-)
TATA liquid super high Investment fund	626,279	1,100,000,000	626,279	1,102,680,967
	(-)	(-)	(-)	(-)
Templeton India treasury management account super Institutional plan – growth	1,347,279	1,907,000,000	1,347,279	1,910,691,514
	(-)	(-)	(-)	(-)
UTI liquid cash plan Institutional - growth option	3,525,110	5,391,694,228	3,525,110	5,406,319,725
	(2,027,522)	(2,985,315,109)	(2,027,522)	(2,990,398,173)
UTI treasury advantage fund - Institutional plan – growth	1,773,223	2,200,917,405	1,773,223	2,214,836,272
	(237,725)	(291,528,998)	(237,725)	(293,156,513)
Total		97,914,147,417		98,368,244,764
		(96,271,859,361)		(96,442,211,959)
B. Bonds				
0% ZCB HDFC	110	108,644,470	110	110,000,000
	(-)	(-)	(-)	(-)
0% LIC Housing finance NCD	250	244,470,250	250	250,000,000
	(-)	(-)	(-)	(-)
5.55% Exim Bonds	250	248,213,750	250	250,000,000
	(-)	(-)	(-)	(-)
7.70% HPCL	50	49,641,700	50	48,469,400
	(-)	(-)	(-)	(-)
Total		650,970,170		658,469,400
		(-)		(-)
C. Commercial papers				
Raymond Limited	500	245,884,750	500	246,332,750
	(-)	(-)	(-)	(-)
Tata Motors Limited	500	243,643,000	500	244,087,000
	(-)	(-)	(-)	(-)
HDFC	500	248,035,750	500	248,487,750
	(-)	(-)	(-)	(-)
Birla Global Finance	500	247,441,500	500	247,892,500
	(-)	(-)	(-)	(-)
JM Financial Products Limited	500	249,426,000	500	250,000,000
	(-)	(-)	(-)	(-)
JM Financial Products Limited	500	249,414,000	500	250,000,000
	(-)	(-)	(-)	(-)

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Reliance Capital Limited	500	240,895,000	500	248,519,000
	(-)	(-)	(-)	(-)
Total		1,724,740,000		1,735,319,000
		(-)		(-)
D. Certificate of deposits				
Central Bank of India	10,000	985,887,000	10,000	990,749,000
	(-)	(-)	(-)	(-)
Punjab National Bank	2,500	246,755,000	2,500	247,882,250
	(-)	(-)	(-)	(-)
State Bank of Patiala	2,500	246,879,500	2,500	248,007,250
	(-)	(-)	(-)	(-)
United Bank of India	2,500	245,877,500	2,500	248,830,250
	(-)	(-)	(-)	(-)
United Bank of India	2,500	245,871,500	2,500	248,836,500
	(-)	(-)	(-)	(-)
State Bank of Patiala	1,000	97,567,400	1,000	100,000,000
	(-)	(-)	(-)	(-)
State Bank of Patiala	1,500	146,348,100	1,500	150,000,000
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	245,913,500	2,500	250,000,000
	(-)	(-)	(-)	(-)
State Bank of Mysore	2,500	244,375,500	2,500	247,724,750
	(-)	(-)	(-)	(-)
Oriental Bank of Commerce	2,500	243,050,000	2,500	246,334,250
	(-)	(-)	(-)	(-)
Punjab National Bank	2,500	242,963,250	2,500	246,232,750
	(-)	(-)	(-)	(-)
ING Vysya Bank	2,500	245,644,250	2,500	250,000,000
	(-)	(-)	(-)	(-)
State Bank of Hyderabad	2,500	244,986,750	2,500	247,724,750
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	246,741,250	2,500	250,000,000
	(-)	(-)	(-)	(-)
IDBI Bank	5,000	493,246,000	5,000	494,011,500
	(-)	(-)	(-)	(-)
Canara Bank	2,500	249,653,000	2,500	250,000,000
	(-)	(-)	(-)	(-)

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Punjab National Bank	2,500	249,653,000	2,500	250,000,000
	(-)	(-)	(-)	(-)
Allahabad Bank	2,500	245,594,000	2,500	246,334,250
	(-)	(-)	(-)	(-)
Oriental Bank of Commerce	2,500	245,689,250	2,500	246,316,750
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	248,101,250	2,500	250,000,000
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	249,120,750	2,500	250,000,000
	(-)	(-)	(-)	(-)
HDFC Bank	2,500	239,897,250	2,500	248,213,500
	(-)	(-)	(-)	(-)
Canara Bank	2,500	247,985,750	2,500	250,000,000
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	244,908,500	2,500	248,397,250
	(-)	(-)	(-)	(-)
State Bank of Travancore	2,500	243,614,500	2,500	246,406,000
	(-)	(-)	(-)	(-)
Total		6,886,323,750		6,952,001,000
		(-)		(-)

Note:

(i) Purchases and sales exclude those held at year end.
(ii) The sales realization excludes dividend, if any, received from Mutual funds.
(iii) Previous year figures are mentioned in brackets.

14. Based on information available with the Company, 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, 2011, which has been relied upon by the auditors.

15. Disclosure in terms of Accounting Standards 7 - Construction contracts

(Amount in Rupees)

Particulars	2011	2010
1. Contract revenue recognised during year	5,073,679,426	683,611,256
2. Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	5,832,978,401	810,419,845
3. Amount of customer advances outstanding	1,828,226,970	150,000,000
4. Retention money due from customers for contracts in progress	332,042,191	-
5. Gross amount due from customers for contract works as an asset	1,130,890,352	-

16. Additional information pursuant to paragraph 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

a. Remuneration to Auditors*

(Amount in Rupees)

Particulars	2011	2010
(a) as auditor	6,397,400	2,206,000
(b) as adviser, or in any other capacity, in respect of		
(i) tax audit;	369,781	170,965
(ii) company law matters;	-	-
(iii) management services; and	-	-
(c) in any other manner		-
(i) audit services in connection with QIP	12,093,671	-
(ii) audit services pertain to interim financial statements	661,800	-
(iii) other services	3,298,911	8,243,802
Total	22,821,563**	10,620,767**

*Includes service tax
** Includes Rs. 7,184,721 (2010: Rs. 9,517,767) paid to erstwhile joint auditors.

b. Expenditure in foreign currency (on payment basis)

(Amount in Rupees)

Particulars	2011	2010
Professional and consultancy charges	161,370,071	11,062,034
Meetings and seminars	2,226,226	-
Rates and taxes	1,304,000	-
Travelling expenses	339,978	5,209,470
Others	1,694,213	1,491,836
Total	166,934,488	17,763,340

c. CIF Value of imports

(Amount in Rupees)

Particulars	2011	2010
Capital goods	126,772,723	-
Total	126,772,723	-

d. Managerial Remuneration

(Amount in Rupees)

Particulars	2011	2010
a. Salaries	11,763,618	9,511,000
b. Perquisites and other allowances	23,028,697	98,841
c. Contributions to provident and other funds	-	2,208,000
d. Sitting fees	1,130,000	1,450,000
Total	35,922,315	13,267,841

Note: The above figures do not include provision for gratuity, superannuation, leave encashment and premium for personal accidental policy, as the same are determined for the Company as a whole.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Particulars	Year Ended	
	2011	2010
Profit after tax	588,780,384	134,522,223
Add:		
Provision for taxation	70,866,469	1,854,543
Depreciation as per Profit and Loss Account	49,137,378	9,362,939
Loss/(Profit) on sale of fixed assets	277,139	-
Less:		
Depreciation as per Section 350 of the Companies Act,1956	49,137,378	9,362,939
Net Profit in accordance with Section 349 of the Companies Act,1956	659,923,992	136,376,766
Add:		
Managerial remuneration	34,792,315	11,817,841
Sitting fees	1,130,000	1,450,000
Profit as per Section 198 of the Companies Act, 1956	695,846,307	149,644,607
Executive Chairman @ 5%	34,792,315	7,482,230
Managing Director @ 3%	-	4,483,338
Total remuneration including commission paid to:		
Executive Chairman	34,792,315	7,385,841
Managing Director	-	4,432,000
Commission payable for the year		
Executive Chairman	-	-
Managing Director	-	-

Note: In 2009-10, the difference of Rs. 12,289,000, between the amount of managerial remuneration initially paid and the amount finally computed as above u/s 349 of the Companies Act, 1956 after finalization of the accounts, was held in trust by the Directors and was shown as recoverable under 'Loans and Advances – Schedule 11'.

e. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 to the extent either Nil or Not Applicable has not been furnished.

17. Disclosure as per Clause 32 of the listing agreement

Loans given/ debentures issued to/by subsidiaries.

(Amount in Rupees)

Name of the Subsidiary	Amount Outstanding as at March 31,		Maximum amount outstanding during the year		Investment by loanee in the Company's Share (Nos)
	2011	2010	2011	2010	
- GEL*^	8,226,565,758	8,000,000,000	8,634,301,370	8,136,767,123	-
- GMRHL**^	3,086,627,528	2,025,643,836	3,095,897,939	2,025,643,836	-
- GKSEZL#^	1,982,731,222	2,003,561,644	3,146,908,219	2,003,561,644	-
- GAPL##^	1,856,500,000	-	1,858,737,973	-	-
- GHIAL***^	-	-	4,023,013,699	-	-
- GSPHPL**	1,000,000,000	-	1,000,000,000	-	-
- WTGIE ****	1,150,000,000	-	1,150,000,000	-	-

* Loans bear yearly interest rate of 6% till July 31, 2010 and 11.75% w.e.f August 01, 2010.
** Loans bear yearly interest rate of 6%.
*** Loan was given at yearly interest rate of 8.75% to 10%.
**** Loan is given at nil rate of interest.
# Outstanding balance of debentures as on March 31, 2011 bear yearly interest rate of 12%.
##Debentures bear yearly interest rate of 2%.
^ Includes interest accrued.

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

18. Unhedged foreign currency exposure

(Amount in Rupees)

Particulars	Amount
Loans and Advances	Rs. 2,644,924,570 (USD 58,593,810) [2010: Rs. 4,494,850,000 (USD 100,000,000]
Investments	• Rs. 14,779,866,936 (USD 320,550,011) [2010: Rs. 10,285,016,702 (USD 220,550,006)] • Rs. 104,137,500 (SGD 3,000,000) [2010: Rs Nil] • Rs. 2,680,303,422 (YTL 87,414,800) [2010: Rs. 2,680,303,422 (YTL 87,414,800)] • Rs. 3,924 (EURO 58) [2010: Rs. 3,924 (EURO 58)]

Notes: Previous year figures are mentioned in brackets.

19. Pursuant to a restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company has transferred its entire shareholding in GMR Energy Limited ('GEL') to GMR Renewable Energy Limited, a subsidiary of the Company, at cost.

20. The investment by GEL in equity shares / preference shares of the following subsidiary Companies has been funded by the Company against an agreement to pass on any benefits or losses out of investments by GEL to the Company and has approved by Board of Directors of both the Companies.

(Amount in Rupees)

Name of the subsidiaries	2011	2010
Equity Shares		
GMR Jadcherla Expressways Private Limited [5,419,949 (March 31, 2010: 5,419,949) equity shares of Rs 10 each fully paid-up]	54,199,490	54,199,490
GMR Pochanpalli Expressways Private Limited [6,348,000 (March 31, 2010: 6,348,000) equity shares of Rs 10 each fully paid-up]	63,480,000	63,480,000
Delhi International Airport Private Limited [245,000,000 (March 31, 2010: 120,000,000) equity shares of Rs 10 each fully paid-up]	2,450,000,000	1,200,000,000
GMR Ulunderpet Expressways Private Limited [9,142,500(March 31, 2010: 9,142,500) equity shares of Rs 10 each fully paid-up]	91,425,000	91,425,000
East Delhi Waste Processing Private Limited [Nil (March 31, 2010: 5,840) equity shares of Rs 10 each fully paid-up]	-	58,400
GMR Chennai Outer Ring Road Private Limited [3,000,000 (March 31, 2010: 1,000) equity shares of Rs 10 each fully paid-up]	30,000,000	10,000
GMR Ambala - Chandigarh Expressways Private Limited [24,222,593 (March 31, 2010: 24,222,593) equity shares of Rs 10 each fully paid-up]	242,225,930	242,225,930
Preference Shares		
GMR Chennai Outer Ring Road Private Limited [1,200,000 (March 31, 2010: Nil) preference shares of Rs 100 each fully paid-up]	120,000,000	-

21. Pursuant to the resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs.61.20 per share on April 21, 2010 aggregating to Rs.14,000,000,258.

22. Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of equity shares of the Company of Rs. 2 each into 2 equity shares of Re. 1 each.

23. The Company has given an interest free loan of Rs. 1,150,000,000 (2010: Nil) to Welfare Trust of GMR Infra Employees. Based on the audited financial statements as at March 31, 2011, the trust has utilised the proceeds of the loan received from the Company in the following manner:

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Particulars	Amount
Equity shares of GIL	980,464,803
Equity shares of GAHL	112,800,000
Investment in mutual funds	56,735,197
Total	1,150,000,000

24. The financial statements as at and for the year ended March 31, 2010 have been audited jointly by S.R.Batliboi & Associates and Price Waterhouse. The financial statements as at and for the year ended March 31, 2011 have been audited by S.R. Batliboi& Associates.

25. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place : Bengaluru
Date : May 30, 2011

For and on behalf of the Board of Directors

G.M. Rao	Srinivas Bommidala	Subba Rao Amarthaluru	C.P. Sounderarajan
Executive Chairman	Managing Director	Group CFO	Company Secretary

Place : Bengaluru
Date : May 30, 2011

Cash flow statement for the year ended March 31, 2011

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2011	March 31, 2010
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax	659,646,853	136,376,766
	Adjustments for :		
	Depreciation	49,137,378	9,362,939
	Provision for diminution in the value of investments	2,285,800	-
	Provisions/ liabilities no longer required, written back	(8,112,821)	(3,035,586)
	(Profit)/Loss on sale of investments (net)	(469,547,412)	(170,352,598)
	Loss / (Gain) on sale of fixed assets	277,139	39,978
	Unrealised exchange differences (net)	(7,896,246)	11,881,841
	Interest income	(1,378,215,787)	(466,879,048)
	Finance charges	1,741,424,346	691,148,979
	Operating profit before working capital changes	588,999,250	208,543,271
	Adjustments for :		
	(Increase) / decrease in inventories	21,120,869	(126,808,589)
	(Increase) / decrease in loans and advances	(2,469,944,037)	308,864,139
	(Increase) / decrease in sundry debtors	(792,663,453)	(373,515,770)
	Increase / (decrease) in current liabilities and provisions	3,016,434,777	461,702,429
	Cash generated from operations	363,947,406	478,785,480
	Direct taxes paid (net)	(286,849,339)	(130,910,347)
	Net cash from operating activities	77,098,067	347,875,133
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(554,448,323)	(289,007,185)
	Proceeds from sale of fixed assets	170,730	127,927
	Purchase of long term investments (including share application money)	(25,341,421,134)	(20,513,943,874)
	Proceeds from sale of long term investments (including refund of share application money)	16,903,063,995	5,819,916,391
	Purchase of investments - short term	(109,987,399,053)	(105,667,765,174)
	Proceeds from sale of investments - short term	117,041,637,059	97,076,768,010
	Loan given to subsidiary companies	(9,618,120,000)	(10,000,000,000)
	Loan repaid by subsidiary companies	6,311,466,000	-
	Loan given to others	(1,150,000,000)	-
	Interest income received	843,447,292	496,312,350
	Net cash used in investing activities	(5,551,603,436)	(33,077,591,555)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from secured loans	-	10,000,000,000
	Repayment of secured loans	-	(650,000,000)
	Proceeds from unsecured loans	5,000,000,000	13,000,000,000
	Repayment of unsecured loans	(8,000,000,000)	-
	Proceeds/(repayment) from/of working capital loan	1,010,688,357	(803,010,883)
	Proceeds from shares allotted to Qualified Institutional Buyers	14,000,000,258	-
	Share issue expenses	(404,601,549)	-
	Payment of debenture redemption premium	(750,000,002)	-

Cash flow statement for the year ended March 31, 2011

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2011	March 31, 2010
	Received against calls unpaid	7,450	-
	Debenture issue expenses	(188,600,000)	(196,240,713)
	Financial charges paid	(1,741,424,346)	(620,327,062)
	Net cash from financing activities	8,926,070,168	20,730,421,342
	Net increase/(decrease) in cash and cash equivalents	3,451,564,799	(11,999,295,080)
	Cash and cash equivalents at the beginning of the year	584,780,223	12,584,075,303
	Cash and cash equivalents at the end of the year	4,036,345,022	584,780,223
	Components of cash and cash equivalents		
	Cash on hand	211,242	208,157
	Balances with scheduled banks		
	- On current accounts	1,259,660,102	85,098,388
	- On deposit accounts	3,481,900,000	600,000,000
		4,741,771,344	685,306,545
	Less: amount not considered as cash and cash equivalents		
	- On current accounts	526,322	526,322
	- On deposit accounts	704,900,000	100,000,000
		705,426,322	100,526,322
	Components of cash and cash equivalents in cash flow statement	4,036,345,022	584,780,223

Note:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements as referred to in scheme 211 (3C) of the Companies Act, 1956
2. Previous year figures have been regrouped and reclassified to conform to those of the current year.
3. The above cash flow statement has been compiled from and is based on the Balance sheet as at March 31, 2011 and the related Profit and loss account for the year ended on that date.

As per our report of even date.

For S. R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar
Partner
Membership No.: 35141

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place : Bengaluru
Date : May 30, 2011

Place : Bengaluru
Date : May 30, 2011

Balance Sheet Abstract

Information pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and company's General Business Profile

I Registration Details

Registration No.	034805	State Code	08

Balance Sheet Date: 31 (Date) 03 (Month) 2011 (Year)

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	225080

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	95469220	Total Assets	95469220

Sources of Funds

Paid-up capital	3892433	Reserves & Surplus	67803350
Secured Loans	13760688	Unsecured Loans	10000000
Deferred Tax Liabilities	12749		

Application of Funds

Net Fixed Assets	915753	Investments	70380197
Net Current Assets	24173270	Misc. Expenditure	NIL
Accumulated Losses	NIL	Deferred Tax Asset	NIL

IV. Performance of company (Amount in Rs. Thousands)

Gross Income	7328615	Total Expenditure	6668968
Profit/Loss Before Tax	659647	Profit/(Loss) After Tax	588780
Earnings Per Share in Rs.	0.15	Dividend Rate (%)	NIL

V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)
Infrastructure Development & Contract Business.

Item Code No. (ITC Code)	NA
Product Description	NA

GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of GMR Infrastructure Limited will be held on Friday, September 2, 2011 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru – 560 029, Karnataka, India to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. O. Bangaru Raju, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. R. S. S. L. N. Bhaskarudu, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a director in place of Dr. Prakash G. Apte, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a director in place of Mr. Kiran Kumar Grandhi, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

   In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED THAT M/s. S. R. Batliboi & Associates, Chartered Accountants (Registration No.101049W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company."

Special Business:

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

   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the provisions of the Articles of Association of the Company and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded for payment of remuneration to Mr. Srinivas Bommidala, Managing Director of the Company for a period of five (5) years with effect from May 24, 2010 as detailed below:

   I. From May 24, 2010 to March 31, 2011: NIL

   II. From April 1, 2011 to May 23, 2015:

      1. Basic Salary: Rs. 14,00,000/- per month.
      2. Perquisites:

      Category – A:

      I. Housing

      House Rent Allowance @ 50% of Basic Salary or Rent Free Unfurnished Accommodation for an amount not exceeding Rs.7,00,000/- per month.

      II. Leave Travel Concession

      Leave Travel Concession for anywhere in India, for self and family once in two years in a block of four years.

      III. Club Fees

      Membership fees in any two clubs not being admission and Life Membership fees.

IV. Medical Reimbursement

Reimbursement of medical expenses incurred on self and / or family.

V. Mediclaim Insurance

Mediclaim insurance cover for self and family, the premium not exceeding Rs.25,000/- per annum.

VI. Personal Accident Insurance

Personal Accident Insurance premium not exceeding Rs. 25,000/- per annum.

Category – B:

I. Contribution to Provident fund, Superannuation fund or Annuity fund as per the Company's rules and applicable provisions of the relevant statutes. Gratuity payable should not exceed half month's salary for each completed year of service.

II. Encashment of leave as per Company's rules.

Category – C:

Provision of cars and telephones (landline & mobiles).

The valuation of perquisites shall be as per the provisions of the Income Tax Act.

RESOLVED FURTHER THAT Mr. Srinivas Bommidala, Managing Director be and is hereby entitled in addition to the remuneration specified above, a Commission on the net profits, subject to the total remuneration including Salary, Perquisites and Commission be within the overall limit of 3% of the Net Profits of the Company calculated in accordance with the provisions of the Companies Act, 1956 for a financial year.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where, in any financial year during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to the Managing Director as Salary, Perquisites and any other allowances shall be governed by and be subject to the ceilings provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration, unless permission from Central Government is obtained for paying more.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed fit for the purpose of giving effect to the above resolutions."

By order of the Board of Directors
For GMR Infrastructure Limited

Place : Bengaluru
Date : May 30, 2011.

C.P. Sounderarajan
Company Secretary & Compliance Officer

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Members are requested to send their proxy form to the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement setting out the material facts pursuant to Section 173(2) of the Companies Act, 1956, relating to item no. 7 is annexed hereto.
3. The profile of the directors seeking appointment / reappointment is provided under Section "Board of Directors", in the Report on Corporate Governance, forming part of the Annual Report.
4. Copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection at the registered office of the Company between 10.00 a.m. and 1.00 p.m. on all working days till the date of the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 26, 2011 to Friday, September 2, 2011 (both days inclusive).
6. M/s. Karvy Computershare Private Limited are the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for Shares held in physical and electronic form.
7. Members holding shares in physical form are requested to inform change of address, if any, immediately to the RTA of the Company. Members holding shares in dematerialized form must send advice about change in address to their respective Depository Participants.

8. Members holding shares in physical form are requested to dematerialize their shares. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA.
9. As per the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to the Members, in respect of the equity shares held by them. Nomination forms are available and can be obtained from the RTA.
10. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the meeting.
11. Members or Proxies should bring the attendance slip duly filled in for attending the meeting.
12. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the meeting.
13. No compliment or gift of any nature will be distributed at the Annual General Meeting.

Important Communication to Members

The Ministry of Corporate Affairs, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including annual report can be sent by e-mail to its members. To support this green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by filling the form available in the website of the Company (www.gmrgroup.in) and send it to M/s. Karvy Computershare Pvt. Ltd., Registrar and Share Transfer Agent, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 7

The Board of Directors in its meeting held on May 24, 2010 appointed Mr. Srinivas Bommidala as Managing Director for a period of 5 years with effect from May 24, 2010 subject to the approval of members of the Company. Members in their Annual General Meeting held on August 27, 2010 approved the aforesaid appointment with a remuneration that would be decided by the Board of Directors on the recommendation of the Remuneration Committee.

The Board of Directors at the meeting held on May 30, 2011 decided the remuneration payable to Managing Director based on the recommendation of the Remuneration Committee, as provided in the resolution with effect from May 24, 2010 for a period of five years.

A brief profile of Mr. Srinivas Bommidala is provided below:

Mr. Srinivas Bommidala is one of the first directors of the Company. He has been a member of the Board since 1996. He is a graduate in commerce and entered his family tobacco export business in 1982 and subsequently led the diversification into new businesses such as Agri, aerated water bottling plants, etc. and was also in charge of international marketing and management of the organization. Subsequently, he led the team as the Managing Director of GMR Power Corporation Limited for setting up the first Independent Power Project. This 200 MW project with slow speed diesel technology is the world's largest diesel engine power plant under one roof situated at Chennai in southern part of India. He was also instrumental in implementing the 388 MW combined cycle gas turbine power project in Andhra Pradesh. When the Government of India decided to modernise and restructure New Delhi airport under a Public Private Partnership scheme in 2006, Mr. Srinivas Bommidala became the first Managing Director of this venture and successfully handled the most challenging job of managing the transition process from a public owned entity to a Public Private Partnership enterprise.

Currently, he is the Managing Director of the Company and also as Chairman for Urban Infrastructure and Highways business, he is spearheading new initiatives for commercial Property development/Aerotropolis at New Delhi and Hyderabad airports. His portfolio also includes Highways (where GMR Group is one of the largest toll operators in the country), Construction, Special Economic Zones and the - Delhi Daredevils, cricket franchise of Indian Premier League for the city of New Delhi.

He holds 451660 equity shares of the Company as on March 31, 2011.

Details of his Directorships and Committee Memberships are as follows:

Sl No.	Name of the Company (Directorship)	Committee Chairmanship/Memberships
1	GMR Infrastructure Limited	Member - Management Committee Member - Debenture Allotment Committee
2	GMR Highways Limited	Chairman - Remuneration Committee Chairman - Securities Issue Allotment & Transfer Committee Member - Audit Committee
3	GMR Hyderabad International Airport Limited	Member - Audit Committee Member - Shares Allotment and Shares Transfer Committee
4	GMR Hyderabad Aerotropolis Limited	–
5	GMR Varalakshmi Foundation	–
6	GMR Krishnagiri SEZ Limited	Member - Audit Committee
7	GMR Sports Private Limited	–
8	GMR League Games Private Limited	–
9	GMR Holdings Private Limited	–
10	Delhi International Airport Private Limited	Member - Share Allotment, Transfer & Grievance Committee
11	GMR Tuni - Anakapalli Expressways Private Limited	Member - Audit Committee
12	GMR Tambaram - Tindivanam Expressways Private Limited	Member - Audit Committee
13	GMR Ambala - Chandigarh Expressways Private Limited	Chairman - Securities Issue Allotment & Transfer Committee
14	Kakinada Refinery & Petrochemicals Private Limited	–
15	B S R Infrastructure Private Limited	–
16	Bommidala Tobacco Exporters Private Limited	–
17	Bommidala Exports Private Limited	–
18	BSR Holdings Private Limited	–
19	Hotel Shivam International Private Limited	–
20	Bommidala Exim Private Limited	–
21	GMR Hyderabad Viiayawada Expressways Private Limited	–
22	GMR Chennai Outer Ring Road Private Limited	Chairman - Remuneration Committee Chairman - Securities Issue Allotment & Transfer Committee
23	Bommidala Tobacco Threshers Private Limited	–
24	GMR SEZ & Port Holdings Private Limited	–
25	GMR Gujarat Solar Power Private Limited	–

This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Mr. Srinivas Bommidala (himself), Mr. G.M. Rao (his father-in-law), Mr. G.B.S. Raju (his brother-in-law) and Mr. Kiran Kumar Grandhi (his brother-in-law) are deemed to be interested in the above resolution.

None of the other Directors is concerned or interested in any way in the above resolution.

The Board recommends the resolution for the approval of the members.

By order of the Board of Directors
For GMR Infrastructure Limited

Place: Bengaluru
Date: May 30, 2011.

C.P. Sounderarajan
Company Secretary & Compliance Officer

GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

FORM OF PROXY

Regd. Folio No. :.. No. of shares :..

*DP ID No. :... *Client ID No. :..

I / We .... of .... being a member of GMR Infrastructure Limited do hereby appoint .... of .... or failing him / her..of.............................. or failing him / her...................................... of............................... as my / our Proxy to attend and vote for me / us, on my / our behalf at the 15th Annual General Meeting of the members of the Company to be held on Friday, September 2, 2011 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru – 560 029, Karnataka and / or at any adjournment thereof.

** I / We direct my/ our proxy to vote on the resolution(s) in the manner as indicated below:

Sl. No.	Resolutions	For	Against
1	Adoption of Balance sheet as at March 31, 2011 and Profit & Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.		
2	Reappointment of Mr. O. Bangaru Raju		
3	Reappointment of Mr. R. S. S. L. N. Bhaskarudu		
4	Reappointment of Dr. Prakash G. Apte		
5	Reappointment of Mr. Kiran Kumar Grandhi		
6	Appointment of M/s. S.R. Batliboi & Associates, Chartered Accountants as Statutory Auditors of the Company		
7	Approval for payment of remuneration to Mr. Srinivas Bommidala, Managing Director.		

Signed this .... day of .... 2011.

Affix a Revenue Stamp

Signature of Member

NOTES:

1. Revenue stamps of not less than 15 paise must be affixed on the form.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. The proxy form should be deposited at least 48 hours before the commencement of the meeting at the registered office of the Company.
4. A proxy need not be a member of the Company.
5. 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.
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.
7. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the column "For" or "Against" as appropriate.

* Applicable for the members holding shares in electronic form.

** This is optional. Please put a tick mark (√) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate.

GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

ATTENDANCE SLIP

(15th Annual General Meeting to be held on Friday, September 2, 2011)

Name of the Shareholder :... *DP ID No. :...

Regd. Folio No.:.. *Client ID No. :..

No. of shares held :...

Note : Shareholder / Proxy must hand over the duly signed attendance slip at the venue.

* Applicable for the members holding shares in electronic form.

Signature of the Shareholder / Proxy

GMR Energy Ltd. - 220MW, Kakinada, India

Printed at Manipal Press Ltd.

If undelivered, please return to:

Karvy Computershare Private Limited

Unit: GMR Infrastructure Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081.

Registered Office:
Skip House, 25/1,
Museum Road,
Bengaluru 560 025
www.gmrgroup.in